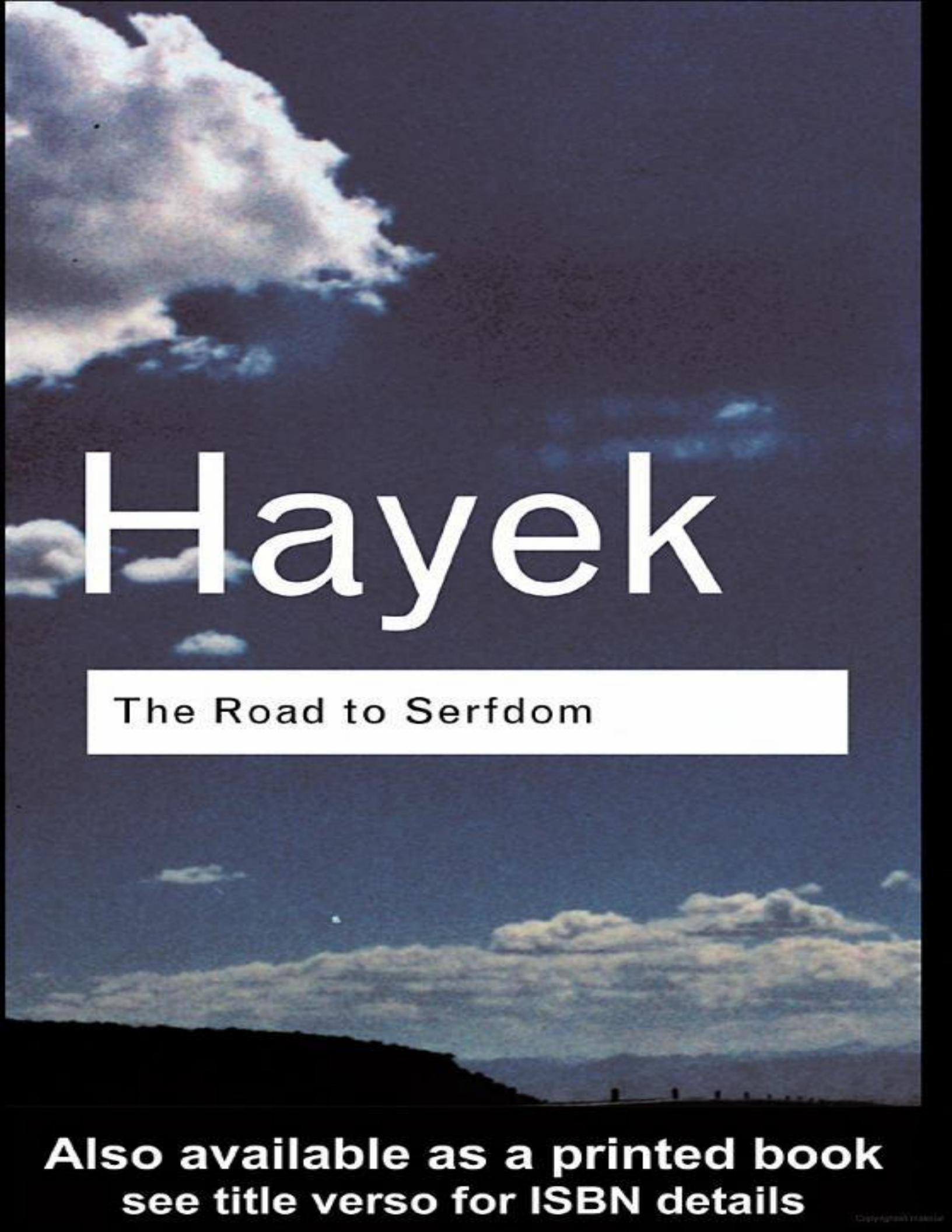


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The Road to Serfdom

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The Road to Serfdom

with The Intellectuals and Socialism

The Road to Serfdom

with The Intellectuals and Socialism

F R I E D R I C H A . H A Y E K

*the condensed version of the road to serfdom by f.a.h.a
yekas it appeared in the april 1945*

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Friedrich A. Hayek

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Friedrich A. Hayek (1899–1992) was born in Vienna and obtained two doctorates from the University of Vienna, in law and political economy. He worked under Ludwig von Mises at the Austrian Institute for Business Cycle Research, and from 1929 to 1931 was a lecturer in economics at the University of Vienna. His first book, *Monetary Theory and the Trade Cycle*, was published in 1929.

In 1931 Hayek was made Tooke Professor of Economic Science and Statistics at the London School of Economics, and in 1950

he was appointed Professor of Social and Moral Sciences at the University of Chicago. In 1962 he was appointed Professor of Political Economy at the University of Freiburg, where he became Professor Emeritus in 1967. Hayek was elected a Fellow of the British Academy in 1944, and in 1947 he organised the conference in Switzerland which resulted in the creation of the

Mont Pèlerin Society. He was awarded the Nobel Prize in Economics in 1974 and was created a Companion of Honour in 1984. In 1991 George Bush awarded Hayek the Presidential Medal of Freedom. His books include *The Pure Theory of Capital*, 1941, *The Road to Serfdom*, 1944, *The Counter-Revolution of Science*, 1952, *The Constitution of Liberty*, 1960, *Law, Legislation and Liberty*, 1973–9, and *The Fatal Conceit*, 1988.

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John Blundell

Georgia Law Review, Journal of Labor Economics and Social Science John Blundell is Director General of the Institute of Economic Quarterly, as well as popular publications such as Newsweek, The Affairs. He was previously President of the Institute for Humane Freedom, National Review, Reader's Digest, Cato Journal and Policy Studies at George Mason University and the Atlas Economic Review. Dr Williams serves on the boards of directors of Citizens Research Foundation, founded by the late Sir Antony Fisher to for a Sound Economy, the Reason Foundation and the Hoover establish 'sister' organisations to the IEA. He serves on the boards Institution, and on the advisory boards of the IEA, the Landmark of both organisations and is a former Vice President of the Mont Legal Foundation, the Alexis de Tocqueville Institute, the Cato Pèlerin Society.

Institute and others. He has frequently given expert testimony before Congressional committees on public policy issues ranging from labour policy to taxation and spending. He is a member of **Edwin J. Feulner Jr**

the Mont Pèlerin Society and the American Economic Association-Edwin J. Feulner Jr has served as President of the Heritage Foundation.

tion since 1977. He is a past President of the Mont Pèlerin Society.

He previously served in high-level positions in both the legislative and executive branches of the United States federal government.

He received his Ph.D. from the University of Edinburgh and was awarded the Presidential Citizen's Medal by Ronald Reagan in 1989 for 'being a leader of the conservative movement by building an organisation dedicated to ideas and their consequences . . . '

Walter E. Williams

Walter Williams is John M. Olin Distinguished Professor of Economics at George Mason University, Fairfax, Virginia. In addition, he serves as an Adjunct Professor of Economics at Grove City College in Grove City, Pennsylvania. He has also served on the faculties of Los Angeles City College, California State University Los Angeles, and Temple University in Philadelphia. He is the author of over eighty publications that have appeared in scholarly journals such as *Economic Inquiry*, *American Economic Review*,
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f o r e w o r d

order later expressed in the writings of British philosophers such as John Stuart Mill and David Hume.

FOREWORD

What happened in Germany? Hayek explains, 'The supreme tragedy is still not seen that in Germany it was largely people of good will who, by their socialist policies, prepared the way for forces which stand for everything they detest'. Hayek's explanation for the rise of Nazism was not understood and appreciated. Friedrich A. Hayek was one of the twentieth century's greatest in 1944, and it is still not fully understood and appreciated today.

philosophers. While he is best known for his work in economics, Collectivism, whether it is in Germany, the former Soviet Union, he also made significant contributions in political philosophy and Britain or the USA, makes personal liberty its victim.

law. The publication for which Professor Hayek is most widely known is *How do we*

combat collectivism? Hayek provides some known is *The Road to Serfdom*, written during World War II, the answers in *The Intellectuals and Socialism*. In a word or two, those condensed Reader's Digest version of which is presented here along with who support the liberal social order must attack the intellectual with what might be seen as his follow-up, *The Intellectuals and Foundations of Collectivism*. Hayek urges that an understanding Socialism, first published by the University of Chicago Law Review of just what it is that leads many intellectuals toward socialism in 1949.

is vital. It is neither, according to Hayek, selfish interests nor evil. A focal point of *The Road to Serfdom* was to offer an explanation of intentions that motivate intellectuals towards socialism. On the occasion for the rise of Nazism, to correct the popular and erroneous contrary, they are motivated by 'mostly honest convictions and view that it was caused by a character defect of the German people.

good intentions'. Hayek adds that it is necessary to recognise Hayek differs, saying that the horrors of Nazism would have been that 'the typical intellectual is today more likely to be a socialist inconceivable among the German people a mere fifteen years the more he is guided by good will and intelligence'. Joseph A.

before Adolf Hitler's rise to power. Indeed, 'throughout most Schumpeter differed, seeing Hayek's assessment as 'politeness to of its history [Germany was] one of the most tolerant European a fault'.²

countries for Jews'.¹ Other evidence against the character defect Hayek argues that the roots of collectivism have nowhere originated is that the writings of some German philosophers, such as inated among working-class people. Its roots lie among intellectuals – as Johann Wolfgang von Goethe, Wilhelm von Humboldt and others – the people Hayek refers to as 'second-hand dealers in ideas'

Friedrich Schiller, served as inspiration for ideas about the liberal

– who had to work long and hard to get working-class people to 1 Thomas

Sowell,

The Economics and Politics of Race, William Morrow & Company, 2

J. Schumpeter, review of The Road to Serfdom, Journal of Political Economy, June New York, 1983, p. 86.

1946: 269–270.

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the road to serfdom with the intellectuals and socialism
foreword

accept the vision they put forward. The intellectuals or second-radio stations, on satellite and over the internet, reaching tens of hand dealers in ideas to whom he refers are journalists, teachers, millions of people worldwide each week. Much to socialist dismay, ministers, radio commentators, cartoonists and artists, who the most popular and successful talk radio shows are those hosted Hayek says ‘are masters of the technique of conveying ideas but by conservative/free market hosts. Then there are the bloggers are usually amateurs so far as the substance of what they convey

– the electronic equivalent of conservative/free market journalis concerned’.

ists – who are constantly at the ready to challenge and reveal news In 1949, when Hayek wrote The Intellectuals and Socialism, stories.

the second-hand dealers in collectivist ideas were a dominant While there have been monumental changes in the ideas force. He appeared to be pessimistic about the future of liberty marketplace, the last bastion of solidly entrenched socialism lies because those who were on the conservative/free market side of on college and university campuses around the world. Hayek the political spectrum were weak, isolated and had little voice. In argues that ‘It is perhaps the most characteristic feature of the 1947, Hayek, along with several other distinguished free market intellectual that he judges new ideas not by their specific merits scholars, addressed some of the isolation by founding the Mont but by the readiness with which they fit into his general

concept-Pèlerin Society. The purpose of the Society was to hold meetings, into the picture of the world which he regards as modern or and present papers and exchange ideas among like-minded advanced’.

scholars with the hope of strengthening the principles of a free society. Professor Thomas Sowell puts the argument in another way. The Mont Pèlerin Society now has over 500 members that encompasses Hayek’s.³ Sowell says that there are essentially worldwide, and can boast that eight of its members have won two Nobel Prizes in economics – the constrained vision

and the unconstrained. The constrained vision sees mankind with Since Hayek wrote *The Intellectuals and Socialism* there has been nothing less than monumental change in the marketplace immutable. Under this vision, the fundamental challenge that of ideas. In 1949, there was only one free market organisation confronts mankind is to organise a system consisting of social

– The Foundation for Economic Education, founded by Leonard R. Read. Today there are over 350 free market organisations in 50

countries, including former communist countries. The major It is this constrained vision of mankind that underlies the thinking media no longer has the monopoly on news and the dissemination and writings of Adam Smith, Edmund Burke and Alexander Hamilton, among others.

tion rather than waste resources trying to change human nature.

countries, including former communist countries. The major It is this constrained vision of mankind that underlies the thinking media no longer has the monopoly on news and the dissemination and writings of Adam Smith, Edmund Burke and Alexander Hamilton, among others.

tion from satellite and cable television. Talk radio has exploded.

The Rush Limbaugh Show, on which I have served as occasional 3 Thomas Sowell,

A Conflict of Visions: Ideological Origins of Political Struggles, William F. Buckley Jr., host for over thirteen years, is carried on 625 different radio

Morrow & Company, New York, 1987.

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the road to serfdom with the intellectuals and socialism
m f o r e w o r d

By contrast, the unconstrained vision sees mankind as capable the case, strongly defend polar opposite policies? I believe part of of perfection and capable of putting the interests of others first.

the answer is that they make different initial premises of how the Sowell says that no other eighteenth-century writer's vision stands world works. If one's initial premise is that an employer needs so in starker contrast to that of Adam Smith than William Godwin's many workers to perform a particular job, then enacting a higher in Enquiry Concerning Political Justice. Godwin viewed intention to minimum wage means that all the workers will keep their jobs.

benefit others as the essence of virtue that leads to human happiness-The only difference is that they will receive higher wages and the less. Benefits to others that arise unintentionally are virtually employer will make less profit. Thus, enacting a higher minimum worthless. Sowell says, 'Unlike Smith, who regarded human self-wage clearly benefits low-skilled workers. By contrast, if one's richness as a given, Godwin regarded it as being promoted by the initial premise is that there are alternative means to produce a very system of rewards used to cope with it'.⁴

product, and employers will seek the least-cost method of doing In the last paragraph of The Intellectuals and Socialism, Hayek so, then raising the minimum wage will cause employers to seek says, 'Unless we [true liberals] can make the philosophic foundation-substitutes such as automation or relocation overseas, thereby tion of a free society once more a living intellectual issue, . . . the reducing the amount of workers they hire. With the latter vision, prospects of freedom are indeed dark'. If Hayek is correct that one can have the interests of low-skilled workers at heart and neither selfish interests nor

evil intentions motivate intellectuals oppose an increase in the minimum wage, because it reduces towards socialism, there are indeed grounds for optimism. Education opportunities for low-skilled workers. If Hayek is correct in his opinion offers hope. We can educate them, or at least make others assessment of socialists, it would appear that it is a simple task to immune, to the errors of their thinking.

empirically show that there are alternative methods of production I think the strategy has at least two principal components.

and that employers are not insensitive to increases in the cost of First, there is not a lot to be gained by challenging the internal logic workers.

of many socialist arguments. Instead, it is the initial premises that The second part of the strategy is to make better, unassailable underlie their arguments that must be challenged. Take one small arguments for personal liberty. Any part of the socialist agenda example. One group of people articulates a concern for the low-can be shown as immoral under the assumption that people own skilled worker and argues for an increase in the minimum wage themselves. The idea of self ownership makes certain forms of as a means to help them. Another group of people articulating the behaviour unambiguously immoral. Murder, rape and theft are identical concern might just as strongly oppose an increase in the immoral simply because they violate a person's property rights to minimum wage, arguing that it will hurt low-skilled workers.

himself. Government programmes such as subsidies to farmers, How can people who articulate identical ends, as is so often bailouts for businesses, and welfare or medical care for the indigent are also immoral for the same reason. Government has 4

Ibid., p. 24.

no resources of its very own. The only way government can give 14

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the road to serfdom with the intellectuals and socialis

From one person money is to first take it from another person. Doing so represents the forcible using of one person, through the tax code, to serve the purposes of another. That is a form of immoral-The Road to Serfdom

ality akin to slavery. After all, a working definition of slavery is precisely that: the forcible use of one person to serve the purposes of another.

Well-intentioned socialists, if they are honest people as Hayek contends, should be able to appreciate that reaching into one's own pockets to assist one's fellow man is laudable and praise-worthy. Reaching into another's pocket to do so is theft and by any standard of morality should be condemned.

Collectivists can neither ignore nor dismiss irrefutable evidence that free markets produce unprecedented wealth.

Instead, they indict the free market system on moral grounds, charging that it is a system that rewards greed and selfishness and creates an unequal distribution of income. Free markets must be defended on moral grounds. We must convince our fellow man there cannot be personal liberty in the absence of free markets, respect for private property rights and rule of law. Even if free markets were not superior wealth producers, the morality of the market would make them the superior alternative.

w a l t e r e . w i l l i a m s

John M. Olin Distinguished Professor of Economics George Mason University, Fairfax, Virginia

May 2005

The views expressed in Occasional Paper 136 are, as in all IEA publications, those of the author and not those of the Institute (which has no corporate view), its managing trustees, Academic Advisory Council members or senior staff.

FOREWORD

John Chamberlain characterised the period immediately following World War II in his foreword to the first edition of *The Road to Serfdom* as ‘a time of hesitation’. Britain and the European continent were faced with the daunting task of reconstruction and reconstitution. The United States, spared from the physical destruction that marked Western Europe, was nevertheless recovering from the economic whiplash of a war-driven economic recovery from the Great Depression. Everywhere there was a desire for security and a return to stability.

The intellectual environment was no more steady. The rise and subsequent defeat of fascism had provided an extremely wide flank for intellectuals who were free to battle for any idea short of ethnic cleansing and dictatorial political control. At the same time, the mistaken but widely accepted notion that the unpredictability of the free market had caused the depression, coupled with four years of war-driven, centrally directed production, and the fact that Russia had been a wartime ally of the United States and England, increased the mainstream acceptance of peace-time government planning of the economy.

At this hesitating, unstable moment appeared the slim volume of which you now hold the condensed version in your hands, F. A. Hayek’s *The Road to Serfdom*. Occupying his spare time between September 1940 and March 1944, the writing of *The Road* 19

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m *w i t h* t h e i n t e l l e c u a l s a n d s o c i a l i s m f o r e w o r d

to *Serfdom* was in his own words more ‘a duty which I must not destiny behind the emerging iron curtain. It is no exaggeration evade’¹ than any calculated contribution to his curriculum vitae.

to say that *The Road to Serfdom* simultaneously prevented the As Hayek saw it, he was merely pointing out ‘apprehensions which emergence of full-blown socialism in Western Europe and the current tendencies [in economic and political thought] must create United States and planted seeds of freedom in the Soviet Union in the minds of many who cannot publicly express them . . . ’² But that would finally bear fruit nearly 45 years later. Socialist catch-as is often the case, this duty-inspired task had tremendous consequences such as ‘collectivism’ were stricken from the mainstream quences unintended by the author.

political debate and even academic socialists were forced to retreat Hayek employed economics to investigate the mind of man, from their defence of overt social planning.

using the knowledge he had gained to unveil the totalitarian But the true value of *The Road to Serfdom* is to be found not in nature of socialism and to explain how it inevitably leads to the immediate blow it dealt to socialist activists and thinkers – as

‘serfdom’. His greatest contribution lay in the discovery of a important as that was – but in the lasting impression it has made simple yet profound truth: man does not and cannot know every-on political and economic thinkers of

the past 55 years. By Hayek's thing, and when he acts as if he does, disaster follows. He recognises his own admission, 'this book . . . has unexpectedly become for me a critique of that socialism, the collectivist state, and planned economies the starting point of more than 30 years' work in a new field'.³

edwin j. feulner jr

represent the ultimate form of hubris, for those who plan them attempt – with insufficient knowledge – to redesign the nature of November 1999

man. In so doing, would-be planners arrogantly ignore traditions that embody the wisdom of generations; impetuously disregard customs whose purpose they do not understand; and blithely confuse the law written on the hearts of men – which they cannot change – with administrative rules that they can alter at whim.

For Hayek, such presumption was not only a 'fatal conceit', but also 'the road to serfdom'.

The impact of the simple ideas encapsulated in *The Road to Serfdom* was immediate. The book went through six impressions in the first 16 months, was translated into numerous foreign languages, and circulated both openly in the free world and clandestinely in the Soviet Union.

F. A. Hayek, *The Road to Serfdom*, Routledge, London, 1944, p. v.

3

Although these words were written in 1976 it is safe to say that the influence of 2

Ibid., p. vii.

The Road to Serfdom guided Hayek's work until his death in 1992.

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introduction

Treatise on Money)³ had been ripped apart by Hayek in a two-part journal review. Keynes had shrugged off the attack with a smile, INTRODUCTION

saying as they passed one day in Clare Market: ‘Oh, never mind; I no longer believe all that.’ Hayek was not about to repeat the **HAYEK, FISHER AND**

demolition job on The General Theory in case Keynes decided, at

THE ROAD TO SERFDOM 1

some future point, that he no longer believed in ‘all that’ either – a decision I heard Hayek regret often in the 1970s.

War came and the LSE was evacuated from central London My story begins with a young Englishman named Lionel to Peterhouse College, Cambridge. Typically, Keynes arranged Robbins, later Lord Robbins of Clare Market. In 1929, at the age of only 30, he had been appointed Professor of Economics at the Keynes was Bursar and – also typically – Hayek volunteered for London School of Economics and Political Science (LSE), a college fire duty. That is, he offered to spend his nights sitting on the roof of the University of London. He was arguably the greatest English of his college watching out for marauding German bombers.

economist of his generation, and he was fluent in German. This It was while he sat out there at night that he began to wonder skill alerted him to the work of a young Austrian economist, about what would happen to his adopted country if and when Friedrich Hayek, and he invited his equally young counterpart peace came. It was clear to Hayek that victory held the seeds of its destruction. The war was called ‘the People’s War’ because Hayek was appointed Tooke Professor of Economic Science and

– unlike most previous wars – the whole population had fought Statistics at the LSE in 1931, and became an English citizen long in one way or another. Even pacifists contributed by working the before such status had become a

‘passport of convenience’.

land to feed the troops. Hayek detected a growing sense of ‘As in In the 1930s John Maynard Keynes was in full flow. He was war, so in peace’ – namely that the government would own, plan the most famous economist in the world, and Hayek was his only and control everything. The economic difficulties created by the real rival. In 1936 Keynes published his infamous General Theory of war would be immense: people would turn to government for a Employment, Interest and Money.² Hayek was tempted to demolish way out. And so, as Hayek penned his great classic, The Road to this nonsense but he held back, for a very simple and very human Serfdom, he was moved not only by a love for his adopted country reason. Two years earlier, a now forgotten Keynesian tract (A but also by a great fear that national planning, that socialism, that the growth of state power and control would, inevitably, lead the 1

This introduction is based on a speech given by the author on 26 April 1999 to the 33rd International Workshop ‘Books for a Free Society’ of the Atlas UK and the US to fascism, or rather National Socialism.

Economic Research Foundation (Fairfax, VA) in Philadelphia, PA.

2

J. M. Keynes, The General Theory of Employment, Interest and Money, Macmillan, London, 1936.

3

J. M. Keynes, A Treatise on Money, Macmillan, London, 1930.

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theroadtoserfdom

introduction

Antony Fisher, the man who did

upon row of years – decades even – of copies of Reader's Digest.

So let me talk now about The Road to Serfdom and one man in So how did our fighter pilot Fisher come across our academic particular who was moved by its lessons to do something. That Hayek? What follows is the story I have pieced together. Not all man is the late Antony George Anson Fisher, or AGAF as we parts of it are accepted by all interested parties, but the pieces do referred to him, and still do.

fit. So this is my story and I'm sticking to it.

Fisher came from a family of mine owners, members of parliament, migrants and military men. He was born in 1915 and soon **The marriage of true minds**

followed by his brother and best friend Basil. His father was killed by a Turkish sniper in 1917. Brought up in South East England by The Road to Serfdom was published in March 1944 and, despite his young widowed mother, an independent New Zealander from wartime paper shortages, it went through five reprints in the UK

Piraki, Akaroa, AGAF attended Eton and Cambridge, where he in 15 months. In spite of this, owing to wartime paper rationing, and his brother both learnt to fly in the University Air Squadron.

the publishers, Routledge, were unable to keep up with demand On graduating, Antony's several initiatives included: and Hayek complained that The Road to Serfdom had acquired a reputation for being 'that unobtainable book'.⁴ It was such an

- a car rental firm – a success

incredible hit that Hayek lost track of the reviews and critics were

- a plane rental firm – also a success; and

moved to write whole books attacking him in both the UK and

- the design and manufacture of a cheap sports car called the the US. Dr Laurence Hayek, only son of F. A. Hayek, owns his late Deroy – a failure because of a lack of power.

father's own first edition copy of The Road to Serfdom as well as the printers' proof copy with Hayek's corrections. On the inside back At the start of the war Antony and Basil volunteered for the cover of the former Hayek began listing the reviews as they came RAF and were soon flying Hurricanes in III Squadron in the Battle out. The list reads as follows:

of Britain. One day Basil's plane was hit by German fire. He bailed out over Selsey Bill but his parachute was on fire and both plane Tablet 11/3/44

(Douglas

Woodruff)

and man plummeted to the ground, separately.

Sunday Times 12/3

(Harold

Hobson

one

A totally devastated Antony was grounded for his own safety, or

two

sentences)

but used his time productively to develop a machine (the Fisher 9/4

(G.

M.

Young)

Trainer) to teach trainee pilots to shoot better. He was also an avid
Birmingham Post 14/3 (TWH)

reader of Reader's Digest. Every copy was devoured, read aloud to his
family, heavily underlined and kept in order in his study. His 4 Quoted in R.
Cockett, Thinking the Unthinkable: Think Tanks and the Economic fi rst
child, Mark, recalls a wall of Antony's study lined with row Counter-
Revolution, 1931–1983, Fontana, London, 1995, p. 85.

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t h e r o a d t o s e r f d o m

i n t r o d u c t i o n

Yorkshire Post 29/3

coincide with the US book publication. He arrived to fi nd himself Financial
News 30/3

a celebrity:

Listener 30/3

. . . I was told all our plans were changed: I would be going Daily Sketch
30/3

(Candidus)

on a nationwide lecture tour beginning at NY Town Hall . . .

Times Literary Supplement 1/4

Imagine my surprise when they drove me there the next day and there were
3,000 people in the hall, plus a few Spectator 31/3

(M.

Polanyi)

score more in adjoining rooms with loudspeakers. There I Irish Times 25/3

was, with this battery of microphones and a veritable sea of Observer 9/4

(George

Orwell)

expectant faces .6

Manchester Guardian 19/4

(W)

Now I get to the detective work. That late spring/early summer But, as Hayek said to me in 1975, they started coming so fast he of 1945 saw both Hayek and Fisher on the move. Hayek had spent lost track and stopped recording them.

the whole of the war at Cambridge but now it was safe for the In early 1945 the University of Chicago Press published the LSE to return to London. Fisher had spent the war stationed all US edition of The Road to Serfdom and, like Routledge in the UK, over the UK training pilots in gunnery and rising to the rank of found themselves unable to meet the demand for copies owing to Squadron Leader. He too was on the move to the War Office (now paper rationing. However, in April 1945 the book finally reached a the Ministry of Defence) in central London, just a ten-minute walk mass audience when the Reader's Digest published their condensed from the LSE. Laurence Hayek and the LSE both confirm the dates version.⁵ (Hayek thought it impossible to condense but always of Hayek's move, while Fisher's RAF record, recently obtained commented on what a great job the Reader's Digest editors did.) from the Ministry of Defence by his elder son Mark, clearly dates Whereas the book publishers had been dealing in issues of four or his.

five thousand copies, the Reader's Digest had a print run which was Forty years later both Hayek and Fisher were not overly measured in hundreds of thousands. For the first and still the only helpful about exactly what happened next. Hayek in particular time, they put the condensed book at the front of the magazine used to claim he had absolutely no recollection whatsoever of where nobody could miss it – particularly a Digest junkie like Fisher ever coming to him for advice. Fisher on the other hand was Fisher.

always very clear and very consistent about the dialogue – almost The Reader's Digest appeared while Hayek was on board a ship verbatim – but not so helpful on exactly how it happened. Here is en route to the USA for a lecture tour which had been arranged to how I believe it came about.

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John Blundell discusses the contents of that issue of the Reader's Digest in detail in 'Looking back at the condensed version of The Road to Serfdom after 60 years', 6 Interview with Hayek in The Times, 5 May 1985, quoted in Cockett, op. cit., Economic Affairs, Vol. 24, No. 1.

pp. 100–101.

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the road to serfdom

introduction

Fisher, the Digest junkie, is already politically active and is also Finally on this issue, let me quote Fisher's own words of 3

worried about the future for his country. The April 1945 edition July 1985 when he spoke at a party at the IEA to celebrate its 30th lands on his desk as he is moving to London and, after reading the birthday. (This would have been the 30th anniversary of the IEA's cover story, he notes on the front that the author is at the Univer-first book in June 1955 rather than incorporation

in November 1955

sity of London. A phone call establishes that the LSE is back in or the actual opening in 1957.) At that party in July 1985 Fisher said: place and, one lunchtime or late one afternoon, Fisher makes the It was quite a day for me when Friedrich Hayek gave me short walk from his office to the LSE and knocks on Hayek's door.

some advice which must be 40 years ago almost to the day and Fisher also recalled the physical setting of Hayek's office in minute which completely changed my life. Friedrich got me started

. . . and two of the things he said way back are the things and accurate detail, including its proximity to that of the dreaded which have kept the IEA on course. One is to keep out of Harold Laski. Fisher claimed that after small talk (which neither politics and the other is to make an intellectual case . . . if excelled at) the conversation went like this:

you can stick to these rules you keep out of a lot of trouble and apparently do a lot of good.

Fisher I share all your worries and concerns as expressed in The Road to Serfdom and I'm going to go into politics and put it As I said, 30 years later, on countless occasions, Hayek did not all right.

dispute the event or disown the advice, he simply said he could not Hayek No you're not! Society's course will be changed only by a remember. But it is of course very Hayekian advice and very much change in ideas. First you must reach the intellectuals, the in keeping with his classic essay 'The Intellectuals and Socialism', teachers and writers, with reasoned argument. It will be which came out just a few years later and which has just been their influence on society which will prevail, and the politi-republished by the IEA.⁸ This was hardly a blueprint for action cians will follow.

– 'reach the intellectuals' – and indeed the next decade saw little direct fallout from that conversation, although three American I have this quote framed above my desk alongside Keynes's intellectual entrepreneurs who had also sought out Hayek did get famous line: 'The ideas of economists and

political philosophers, the ball rolling in the US.

both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled **The road to the IEA**

by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of Hayek taught at the LSE, got divorced in Arkansas, remarried, some defunct economist.’⁷

moved to Chicago and wrote The Constitution of Liberty.

8 F.

A.

Hayek,

The Intellectuals and Socialism, Rediscovered Riches No. 4, IEA, Lon-7
Keynes,

The General Theory of Employment, Interest and Money, op. cit., p. 383.

don, 1998.

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introduction

Fisher tried stockbroking, became a farmer, wrote a very distinctive IEA approach of short monographs containing the very prescient monograph, ‘The Case for Freedom’,⁹ imported the best economics in good, jargon-free English, written by academics idea of factory-farming of chickens, championed liberty in many (mostly) or quasi-academics, in language accessible to the layman different campaigns, visited the US looking for institute models he but still of use to the expert.

could copy, published *The Free Convertibility of Sterling* by George In the early days it was hard to find authors, hard to raise money and hard to get reviews and sales. At times everybody had Ralph Harris and, as he always did, having hired the talent let to down pens to raise money or quickly pick up pens to co-author it with a very hands-off approach to management. (When in a paper. The first clear success of this venture – inspired by *The Road to Serfdom* he entrusted to me the future of the Atlas Economic Research Foundation, advised by Hayek, implemented by Fisher and Foundation, the body dedicated to building new IEAs around the run by Harris and Seldon – was the repeal of Resale Price Maintenance, he made it very clear that he was there if I wanted his help in 1964, a fantastic reform. It effectively outlawed the but that he really did expect me to crack on on my own.) prevailing practice by which manufacturers priced goods – they To begin with, in the late 1950s, it was not at all clear what the literally stamped the price on the article – and discounting was IEA would do. The exchange control book by Winder had been illegal. There was no such thing as shopping around. This change short, easily understood and on a fairly narrow but important alienated the small-business vote and put the Tories out for six topic. It had sold out its 2,000 print run very quickly because of years, but it transformed the UK economy and allowed a nation Henry Hazlitt's review in *Newsweek*. Unfortunately the printer who of shopkeepers to spread their wings. It was clearly heralded by had also sold the book for Antony went bankrupt, and the 2,000

a 1960 IEA study, *Resale Price Maintenance and Shoppers' Choice* names and addresses of the purchasers were lost. But Fisher had by Basil Yamey.¹¹ Other successes followed and the IEA's impetus visited the Foundation for Economic Education in Irvington- on-grew, but what was happening to Hayek and Fisher?

Hudson, New York, had been exposed to its magazine, *The Freeman*, Hayek had moved from Chicago back to Europe, and in and still adored *Reader's Digest*. Harris had been a party political December 1974 received the Nobel Prize. He was 75 and his health man turned academic turned editorial writer, while Arthur had not been good. He was also depressed. However the prize Seldon, the first editorial director, had been a research assistant (and the big

cheque) cheered him up no end.

to the famous LSE economist Arnold Plant before becoming chief Fisher had sold the chicken business for millions and had put a economist of a brewers' association. Out of this mish-mash of large part of his minority share into an experimental turtle farm in experiences – academic, business, political, journalistic – came the the Cayman Islands. Well, the experiment worked brilliantly but 9 A.

Fisher,

The Case for Freedom, Runnymede Press, London, undated.

10 G.

Winder,

The Free Convertibility of Sterling, The Batchworth Press for the Insti-11 B. S. Yamey, Resale Price Maintenance and Shoppers' Choice, Hobart Paper No. 1, tute of Economic Affairs, London, 1955.

IEA, London, 1960.

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t h e r o a d t o s e r f d o m

i n t r o d u c t i o n

the environmentalists closed down his largest market – the US.¹²

Fisher incorporated the Atlas Economic Research Foundation to He refused to hide behind limited liability and used the balance of be a focal point for institutes and to channel funds to start-ups. By his fortune to pay off all debts.

the time of his death in 1988 we listed 30-plus institutes in 20 or so 1974 – now 30 years after The Road to Serfdom – was a big year countries. By 1991

we were listing 80 and I now count about 100 in for Fisher too, because, free from business concerns, he was able to 76 countries.

respond to businessmen and others around the world who noted All of this can be traced back to this young economist, his the IEA's growing influence and came to him for advice.

book, the Reader's Digest condensation, and a young RAF officer

. . . through the IEA . . . through CIS/PRI/ASI/Manhattan and Fraser . . . to 100 institutes in 76 countries today, who together are **Sowing the seed**

literally changing the world.

So the entrepreneur turned fighter pilot turned gunnery trainer To illustrate our impact, let me finish with a story from Lord turned stockbroker turned dairy farmer turned chicken pioneer Howell of Guildford, a minister in the 1980s. He came into my turned turtle saviour became the Johnny Appleseed of the free-office recently and pointed at the big boardroom table where market movement, going all over the world and setting up new I work every day and which was donated by Antony in the late IEA-type operations.

1960s. Howell said: 'You know, John, it was at that table that we First he joined the very young Fraser Institute in Vancouver, first got serious about privatisation in 1968. The idea fizzled in the BC; quickly moved on to help Greg Lindsay and the Centre for 1970s, took off in the 1980s and in the 1990s burns brightly around Independent Studies in Australia; hired David Theroux, recently the world.' I replied: 'Yes, it burns so brightly that last year world-departed from the Cato Institute, to set up the Pacific Research wide privatisation revenues topped \$100 billion for the first time.'

Institute in San Francisco; gave support to the Butler brothers So it is quite a story we have to tell and it all begins here with and Madsen Pirie as they founded the Adam Smith Institute in the condensed version of The Road to Serfdom and the cartoon London; and incorporated with William Casey the Manhattan version drawn to my attention only recently by Laurence Hayek.

Institute where, as they did so, they sat on movers' boxes in an Read the

condensed version, now published in our 'Rediscovered otherwise empty office.

Riches' series for the first time since its original appearance in the It took ten years to give birth to Institute No. 1 – the IEA. For Reader's Digest, and wonder on all the changes it led to: all the all but twenty years it was the only one in the family; in just six misery avoided and all the prosperity created.

j o h n b l u n d e l l

years five more were born, and then the fun really started. In 1981

November 1999

12 For a full account see P. and S. Fosdick, Last Chance Lost: Can and Should Farming Save the Green Sea Turtle?, Irvin S. Naylor, York, PA, 1994.

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PREFACE TO THE *READER'S DIGEST*

SUMMARY

CONDENSED VERSION OF

(Jacket notes written by Hayek for the first edition)

THE ROAD TO SERFDOM

'In The Road to Serfdom', writes Henry Hazlitt in the New York

- Is there a greater tragedy imaginable than that in our Times, 'Friedrich A. Hayek has written one of the most important endeavour consciously to shape our future in accordance with books of our generation. It restates for our time the issue between high ideals we should in fact unwittingly produce the very liberty and authority. It is an arresting call to all well-intentioned opposite of

what we have been striving for?

planners and socialists, to all those who are sincere democrats and

- The contention that only the peculiar wickedness of the liberals at heart, to stop, look and listen.'

Germans has produced the Nazi system is likely to become The author is an internationally known economist. An Austrian the excuse for forcing on us the very institutions which have by birth, he was director of the Austrian Institute for Economic produced that wickedness.

Research and lecturer in economics at the University of Vienna

- Totalitarianism is the new word we have adopted to describe during the years of the rise of fascism in Central Europe. He has the unexpected but nevertheless inseparable manifestations lived in England since 1931 when he became Professor of Economic of what in theory we call socialism.

Science at the University of London, and is now a British citizen.

- In a planned system we cannot confine collective action to the Professor Hayek, with great power and rigour of reasoning, tasks on which we agree, but are forced to produce agreement sounds a grim warning to Americans and Britons who look to the on everything in order that any action can be taken at all.

government to provide the way out of all our economic difficulties.

- The more the state 'plans' the more difficult planning He demonstrates that fascism and what the Germans correctly becomes for the individual.

call National Socialism are the inevitable results of the increasing

- The economic freedom which is the prerequisite of any other growth of state control and state power, of national 'planning' and freedom cannot be the freedom from economic care which of socialism.

the socialists promise us and which can be obtained only by In a foreword to

The Road to Serfdom John Chamberlain, book reviewing the individual at the same time of the necessity and editor of Harper's, writes: 'This book is a warning cry in a time of the power of choice: it must be the freedom of economic hesitation. It says to us: Stop, look and listen. Its logic is incontest-activity which, with the right of choice, inevitably also carries able, and it should have the widest possible audience.'

the risk and the responsibility of that right.

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- What our generation has forgotten is that the system of private property is the most important guarantee of freedom, The *Reader's Digest* condensed version of

not only for those who own property, but scarcely less for **The Road to Serfdom**

those who do not.

- We shall never prevent the abuse of power if we are not prepared to limit power in a way which occasionally may prevent its use for desirable purposes.
- We shall all be the gainers if we can create a world fit for small states to live in.
- The first need is to free ourselves of that worst form of contemporary obscurantism which tries to persuade us that what we have done in the recent past was all either wise or unavoidable. We shall not grow wiser before we learn that much that we have done was very foolish.

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THE ROAD TO SERFDOM

(condensed version, published in the *Reader's Digest*, April 1945 edition)

The author has spent about half his adult life in his native Austria, in close touch with German thought, and the other half in the United States and England. In the latter period he has become increasingly convinced that some of the forces which destroyed freedom in Germany are also at work here.

The very magnitude of the outrages committed by the National Socialists has strengthened the assurance that a totalitarian system cannot happen here. But let us remember that 15 years ago the possibility of such a thing happening in Germany would have appeared just as fantastic not only to nine-tenths of the Germans themselves, but also to the most hostile foreign observer.

There are many features which were then regarded as 'typically German' which are now equally familiar in America and England, and many symptoms that point to a further development in the same direction: the increasing veneration for the state, the fatal-istic acceptance of 'inevitable trends', the enthusiasm for 'organization' of everything (we now call it 'planning').

The character of the danger is, if possible, even less understood here than it was in Germany. The supreme tragedy is still not seen that in Germany it was largely people of good will who, by their socialist policies, prepared the way for the forces which stand for everything they detest. Few recognize that the rise of fascism and Marxism was not a reaction against the socialist trends of the 39

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preceding period but a necessary outcome of those tendencies. Yet it of some single body power formerly exercised independently by is signifi cant that many of the leaders of these movements, from many, an amount of power is created infi nitely greater than any Mussolini down (and including Laval and Quisling) began as that existed before, so much more far-reaching as almost to be socialists and ended as fascists or Nazis.

different in kind.

In the democracies at present, many who sincerely hate all of It is entirely fallacious to argue that the great power exercised Nazism's manifestations are working for ideals whose realization by a central planning board would be 'no greater than the power would lead straight to the abhorred tyranny. Most of the people collectively exercised by private boards of directors'. There is, in whose views influence developments are in some measure social-a competitive society, nobody who can exercise even a fraction ists. They believe that our economic life should be 'consciously of the power which a socialist planning board would possess. To directed', that we should substitute 'economic planning' for the decentralize power is to reduce the absolute amount of power, and competitive system. Yet is there a greater tragedy imaginable than the competitive system is the only system designed to minimize that, in our endeavour consciously to shape our future in accord- the power exercised by man over man. Who can seriously doubt ance with high ideals, we should in fact unwittingly produce the that the power which a millionaire, who may be my employer, has very opposite of what we have been striving for?

over me is very much less than that which the smallest bureaucrat possesses who wields the coercive power of the state and on whose discretion it depends how I am allowed to live and work?

Planning and power

In every real sense a badly paid unskilled workman in this In order to achieve their ends the planners must create power country has more freedom to shape his life than many an employer

– power over men wielded by other men – of a magnitude never in Germany or a much better paid engineer or manager in Russia.

before known. Their success will depend on the extent to which If he wants to change his job or the place where he lives, if he they achieve such power. Democracy is an obstacle to this suppres-wants to profess certain views or spend his leisure in a particular sion of freedom which the centralized direction of economic way, he faces no absolute impediments. There are no

dangers to activity requires. Hence arises the clash between planning and bodily security and freedom that confine him by brute force to the democracy.

task and environment to which a superior has assigned him.

Many socialists have the tragic illusion that by depriving Our generation has forgotten that the system of private individuals of the power they possess in an individualist property is the most important guarantee of freedom. It is only system, and transferring this power to society, they thereby extinguish because the control of the means of production is divided among guish power. What they overlook is that by concentrating power many people acting independently that we as individuals can so that it can be used in the service of a single plan, it is not merely decide what to do with ourselves. When all the means of production are transformed, but infinitely heightened. By uniting in the hands of a single hand, whether it be nominally that of 40

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‘society’ as a whole or that of a dictator, whoever exercises this independence which 100 years before had hardly seemed possible.

control has complete power over us. In the hands of private individuals, what is called this success was to create among men a new sense of power over their own fate, the economic power can be an instrument of coercion, but it is never control over the whole belief in the unbounded possibilities of improving their own lot. What had been life of a person. But what had been achieved came when economic power is centralized as an instrument of political to be regarded as a secure and imperishable possession, acquired power it creates a degree of dependence scarcely distinguishable once and for all; and the rate of progress began to seem too slow.

from slavery. It has been well said that, in a country where the sole Moreover

the principles which had made this progress possible employer is the state, opposition means death by slow starvation.

came to be regarded as obstacles to speedier progress, impatiently to be brushed away. It might be said that the very success of liberalism became the cause of its decline.

Background to danger

No sensible person should have doubted that the economic Individualism, in contrast to socialism and all other forms of principles of the nineteenth century were only a beginning – that totalitarianism, is based on the respect of Christianity for the there were immense possibilities of advancement on the lines on individual man and the belief that it is desirable that men should which we had moved. But according to the views now dominant, be free to develop their own individual gifts and bents. This philo-the question is no longer how we can make the best use of the sophy, fi rst fully developed during the Renaissance, grew and spontaneous forces found in a free society. We have in effect spread into what we know as Western civilization. The general undertaken to dispense with these forces and to replace them by direction of social development was one of freeing the individual collective and ‘conscious’ direction.

from the ties which bound him in feudal society.

It is signifi cant that this abandonment of liberalism, whether Perhaps the greatest result of this unchaining of individual expressed as socialism in its more radical form or merely as energies was the marvellous growth of science. Only since indus-

‘organization’ or ‘planning’, was perfected in Germany. During trial freedom opened the path to the free use of new knowledge, the last quarter of the nineteenth century and the fi rst quarter of only since everything could be tried – if somebody could be found the twentieth, Germany moved far ahead in both the theory and to back it at his own risk – has science made the great strides which the practice of socialism, so that even today Russian discussion in the last 150 years have changed the face of the world. The result largely carries on where the Germans left off. The Germans, long of this growth

surpassed all expectations. Wherever the barriers to before the Nazis, were attacking liberalism and democracy, capital-the free exercise of human ingenuity were removed, man became alism, and individualism.

rapidly able to satisfy ever-widening ranges of desire. By the begin-Long before the Nazis, too, the German and Italian social-ning of the twentieth century the working man in the Western world ists were using techniques of which the Nazis and fascists later had reached a degree of material comfort, security and personal made effective use. The idea of a political party which embraces 42

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The liberal way of planning

all activities of the individual from the cradle to the grave, which claims to guide his views on everything, was fi rst put into practice

‘Planning’ owes its popularity largely to the fact that everybody by the socialists. It was not the fascists but the socialists who began desires, of course, that we should handle our common problems to collect children at the tenderest age into political organizations with as much foresight as possible. The dispute between the to direct their thinking. It was not the fascists but the socialists modern planners and the liberals is not on whether we ought to who fi rst thought of organizing sports and games, football and employ systematic thinking in planning our affairs. It is a dispute hiking, in party clubs where the members would not be infected about what is the best way of so doing. The question is whether we by other views. It was the socialists who fi rst insisted that the should create conditions under which the knowledge and initia-party member should distinguish himself from others by the tive of individuals are given the best scope so that they can plan modes of greeting and the forms of address. It was they who, by most successfully; or whether we should direct and organize all their organization of ‘cells’ and devices for the permanent supervi-economic activities according to a ‘blueprint’, that is,

‘consciousness of private life, created the prototype of the totalitarian party.

direct the resources of society to conform to the planners’ part-By the time Hitler came to power, liberalism was dead in ular views of who should have what’.

Germany. And it was socialism that had killed it.

It is important not to confuse opposition against the latter To many who have watched the transition from socialism to kind of planning with a dogmatic laissez faire attitude. The liberal fascism at close quarters the connection between the two systems argument does not advocate leaving things just as they are; it has become increasingly obvious, but in the democracies the favours making the best possible use of the forces of competi-majority of people still believe that socialism and freedom can tion as a means of coordinating human efforts. It is based on the be combined. They do not realize that democratic socialism, the conviction that, where effective competition can be created, it is a great utopia of the last few generations, is not only unachievable, better way of guiding individual efforts than any other. It emphas-but that to strive for it produces something utterly different – the izes that in order to make competition work benefi cially a care-very destruction of freedom itself. As has been aptly said: ‘What fully thought-out legal framework is required, and that neither the has always made the state a hell on earth has been precisely that past nor the existing legal rules are free from grave defects.

man has tried to make it his heaven.’

Liberalism is opposed, however, to supplanting competition It is disquieting to see in England and the United States today by inferior methods of guiding economic activity. And it regards the same drawing together of forces and nearly the same contempt competition as superior not only because in most circumstances of all that is liberal in the old sense. ‘Conservative socialism’ was it is the most effi cient method known but because it is the only the slogan under which a large number of writers prepared the method which does not require the coercive or arbitrary intervention of atmosphere in which National Socialism succeeded. It is ‘conser-authority. It dispenses with the

need for 'conscious social control'

vative socialism' which is the dominant trend among us now.

and gives individuals a chance to decide whether the prospects of 44

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The great utopia

a particular occupation are sufficient to compensate for the disadvantages connected with it.

There can be no doubt that most of those in the democracies who The successful use of competition does not preclude some types demand a central direction of all economic activity still believe of government interference. For instance, to limit working hours, that socialism and individual freedom can be combined. Yet to require certain sanitary arrangements, to provide an extensive socialism was early recognized by many thinkers as the gravest system of social services is fully compatible with the preservation threat to freedom.

of competition. There are, too, certain fields where the system of It is rarely remembered now that socialism in its beginnings competition is impracticable. For example, the harmful effects of was frankly authoritarian. It began quite openly as a reaction deforestation or of the smoke of factories cannot be confined to the against the liberalism of the French Revolution. The French writers owner of the property in question. But the fact that we have to resort who laid its foundation had no doubt that their ideas could be put to direct regulation by authority where the conditions for the proper into practice only by a strong dictatorial government. The first of working of competition cannot be created does not prove that we modern planners, Saint-Simon, predicted that those who did not should suppress competition where it can be made to function.

obey his proposed planning boards would be 'treated as cattle'.

To create conditions in which competition will be as effective as Nobody saw more clearly than the great political thinker de possible, to prevent fraud and deception, to break up monopolies Tocqueville that democracy stands in an irreconcilable conflict

– these tasks provide a wide and unquestioned field for state activity.

with socialism: 'Democracy extends the sphere of individual This does not mean that it is possible to find some 'middle freedom,' he said. 'Democracy attaches all possible value to each way' between competition and central direction, though nothing man,' he said in 1848, 'while socialism makes each man a mere seems at first more plausible, or is more likely to appeal to reason-agent, a mere number. Democracy and socialism have nothing in able people. Mere common sense proves a treacherous guide in common but one word: equality. But notice the difference: while this field. Although competition can bear some mixture of regula-democracy seeks equality in liberty, socialism seeks equality in tion, it cannot be combined with planning to any extent we like restraint and servitude.'

without ceasing to operate as an effective guide to production.

To allay these suspicions and to harness to its cart the strongest Both competition and central direction become poor and ineffi -

of all political motives – the craving for freedom – socialists began cient tools if they are incomplete, and a mixture of the two means increasingly to make use of the promise of a 'new freedom'.

that neither will work.

Socialism was to bring 'economic freedom' without which polit-Planning and competition can be combined only by planning ical freedom was 'not worth having'.

for competition, not by planning against competition. The To make this argument sound plausible, the word 'freedom'

planning against which all our criticism is directed is solely the was subjected to a subtle change in meaning. The word had planning against competition.

formerly meant freedom from coercion, from the arbitrary power 46

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of other men. Now it was made to mean freedom from necessity, reserved for each other the hatred of the heretic. Their practice release from the compulsion of the circumstances which inevitably showed how closely they are related. To both, the real enemy, the limit the range of choice of all of us. Freedom in this sense is, of man with whom they had nothing in common, was the liberal of course, merely another name for power or wealth. The demand for the old type. While to the Nazi the communist and to the communist the new freedom was thus only another name for the old demand the Nazi, and to both the socialist, are potential recruits for a redistribution of wealth.

made of the right timber, they both know that there can be no The claim that a planned economy would produce a substantial promise between them and those who really believe in indistinctly larger output than the competitive system is being progressive freedom.

sively abandoned by most students of the problem. Yet it is this What is promised to us as the Road to Freedom is in fact the false hope as much as anything which drives us along the road to Highroad to Servitude. For it is not difficult to see what must be planning.

the consequences when democracy embarks upon a course of Although our modern socialists' promise of greater freedom planning. The goal of the planning will be described by some such is genuine and sincere, in recent years observer after observer has vague term as 'the general welfare'. There will be no real agree-been impressed by the unforeseen consequences of socialism, the means as to the ends to be attained, and the effect of the people's

extraordinary similarity in many respects of the conditions under agreeing that there must be central planning, without agreeing

‘communism’ and ‘fascism’. As the writer Peter Drucker expressed on the ends, will be rather as if a group of people were to commit it in 1939, ‘the complete collapse of the belief in the attainability themselves to take a journey together without agreeing where of freedom and equality through Marxism has forced Russia to they want to go: with the result that they may all have to make a travel the same road toward a totalitarian society of unfreedom journey which most of them do not want at all.

and inequality which Germany has been following. Not that Democratic assemblies cannot function as planning agencies.

communism and fascism are essentially the same. Fascism is the They cannot produce agreement on everything – the whole direc-stage reached after communism has proved an illusion, and it has tion of the resources of the nation – for the number of possible proved as much an illusion in Russia as in pre-Hitler Germany.’

courses of action will be legion. Even if a congress could, by No less significant is the intellectual outlook of the rank and proceeding step by step and compromising at each point, agree on fi le in the communist and fascist movements in Germany before some scheme, it would certainly in the end satisfy nobody.

1933. The relative ease with which a young communist could be To draw up an economic plan in this fashion is even less converted into a Nazi or vice versa was well known, best of all to possible than, for instance, successfully to plan a military the propagandists of the two parties. The communists and Nazis campaign by democratic procedure. As in strategy, it would clashed more frequently with each other than with other parties become inevitable to delegate the task to experts. And even if, simply because they competed for the same type of mind and by this expedient, a democracy should succeed in planning every 48

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sector of economic activity, it would still have to face the problem sacrifice freedom in order to make it more secure in the future, of integrating these separate plans into a unitary whole. There but it is quite a different thing to sacrifice liberty permanently in will be a stronger and stronger demand that some board or some the interests of a planned economy.

single individual should be given powers to act on their own To those who have watched the transition from socialism to responsibility. The cry for an economic dictator is a characteristic fascism at close quarters, the connection between the two systems stage in the movement toward planning.

is obvious. The realization of the socialist programme means the Thus the legislative body will be reduced to choosing the destruction of freedom. Democratic socialism, the great utopia of persons who are to have practically absolute power. The whole the last few generations, is simply not achievable.

system will tend toward that kind of dictatorship in which the head of government is from time to time confirmed in his position **Why the worst get on top**

by popular vote, but where he has all the power at his command to make certain that the vote will go in the direction that he desires.

No doubt an American or English 'fascist' system would greatly Planning leads to dictatorship because dictatorship is the most differ from the Italian or German models; no doubt, if the trans-effective instrument of coercion and, as such, essential if central ition were effected without violence, we might expect to get a planning on a large scale is to be possible. There is no justification better type of leader. Yet this does not mean that our fascist for the widespread belief that, so long as power is conferred by system would in the end prove very different or much less intol-democratic procedure, it cannot be arbitrary; it is not the source of erable than its prototypes. There are strong reasons for believing power which prevents it from being arbitrary; to be free from dictat-that the worst features of the totalitarian systems are phenomena

orial qualities, the power must also be limited. A true 'dictator-which totalitarianism is certain sooner or later to produce.

ship of the proletariat', even if democratic in form, if it undertook Just as the democratic statesman who sets out to plan centrally to direct the economic system, would probably destroy economic life will soon be confronted with the alternative of either personal freedom as completely as any autocracy has ever done.

assuming dictatorial powers or abandoning his plans, so the Individual freedom cannot be reconciled with the supremacy totalitarian leader would soon have to choose between disregard of one single purpose to which the whole of society is permanently of ordinary morals and failure. It is for this reason that the unscru-subordinated. To a limited extent we ourselves experience this pulous are likely to be more successful in a society tending toward fact in wartime, when subordination of almost everything to the totalitarianism. Who does not see this has not yet grasped the full immediate and pressing need is the price at which we preserve our width of the gulf which separates totalitarianism from the essen-freedom in the long run. The fashionable phrases about doing for tially individualist Western civilization.

the purposes of peace what we have learned to do for the purposes The totalitarian leader must collect around him a group which of war are completely misleading, for it is sensible temporarily to is prepared voluntarily to submit to that discipline they are to 50

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impose by force upon the rest of the people. That socialism can gain the support of the docile and gullible, who have no strong be put into practice only by methods of which most socialists convictions of their own but are ready to accept a ready-made dis approve is, of course, a lesson learned by many social reformers system of values if it is only drummed into their ears suffi ciently in the past. The old socialist parties were inhibited by their

loudly and frequently. It will be those whose vague and imper-democratic ideals; they did not possess the ruthlessness required. Formed ideas are easily swayed and whose passions and for the performance of their chosen task. It is characteristic that emotions are readily aroused who will thus swell the ranks of the both in Germany and in Italy the success of fascism was preceded totalitarian party.

by the refusal of the socialist parties to take over the responsibility-Third, to weld together a closely coherent body of supporters, abilities of government. They were unwilling whole heartedly to the leader must appeal to a common human weakness. It seems employ the methods to which they had pointed the way. They to be easier for people to agree on a negative programme – on the still hoped for the miracle of a majority's agreeing on a particular hatred of an enemy, on the envy of the better off – than on any plan for the organization of the whole of society. Others had positive task.

already learned the lesson that in a planned society the question The contrast between the 'we' and the 'they' is consequently can no longer be on what do a majority of the people agree but always employed by those who seek the allegiance of huge masses.

what the largest single group is whose members agree sufficiently The enemy may be internal, like the 'Jew' in Germany or the to make unified direction of all affairs possible.

'kulak' in Russia, or he may be external. In any case, this technique There are three main reasons why such a numerous group, has the great advantage of leaving the leader greater freedom of with fairly similar views, is not likely to be formed by the best but action than would almost any positive programme.

rather by the worst elements of any society.

Advancement within a totalitarian group or party depends First, the higher the education and intelligence of individuals largely on a willingness to do immoral things. The principle become, the more their tastes and views are differentiated. If we that the end justifies the means, which in individualist ethics is wish to find a high degree of uniformity in outlook, we have to regarded as the denial of all morals, in collectivist ethics becomes descend to

the regions of lower moral and intellectual standards necessarily the supreme rule. There is literally nothing which the where the more primitive instincts prevail. This does not mean consistent collectivist must not be prepared to do if it serves 'the that the majority of people have low moral standards; it merely good of the whole', because that is to him the only criterion of means that the largest group of people whose values are very what ought to be done.

similar are the people with low standards.

Once you admit that the individual is merely a means to Second, since this group is not large enough to give sufficient serve the ends of the higher entity called society or the nation, weight to the leader's endeavours, he will have to increase their most of those features of totalitarianism which horrify us follow numbers by converting more to the same simple creed. He must of necessity. From the collectivist standpoint intolerance and 52

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brutal suppression of dissent, deception and spying, the complete The most effective way of making people accept the validity disregard of the life and happiness of the individual are essential of the values they are to serve is to persuade them that they are and unavoidable. Acts which revolt all our feelings, such as the really the same as those they have always held, but which were shooting of hostages or the killing of the old or sick, are treated not properly understood or recognized before. And the most effi -

as mere matters of expediency; the compulsory uprooting and cient technique to this end is to use the old words but change their transportation of hundreds of thousands becomes an instrument meaning. Few traits of totalitarian regimes are at the same time of policy approved by almost everybody except the victims.

so confusing to the superficial observer and yet so characteristic To be a useful assistant in the running of a totalitarian state, of the whole intellectual

climate as this complete perversion of therefore, a man must be prepared to break every moral rule he language.

has ever known if this seems necessary to achieve the end set for The worst sufferer in this respect is the word 'liberty'. It is a him. In the totalitarian machine there will be special opportuni-word used as freely in totalitarian states as elsewhere. Indeed, ties for the ruthless and unscrupulous. Neither the Gestapo nor it could almost be said that wherever liberty as we know it has the administration of a concentration camp, neither the Ministry been destroyed, this has been done in the name of some new of Propaganda nor the SA or SS (or their Russian counterparts) freedom promised to the people. Even among us we have planners are suitable places for the exercise of humanitarian feelings. Yet it who promise us a 'collective freedom', which is as misleading as is through such positions that the road to the highest positions in anything said by totalitarian politicians. 'Collective freedom' is not the totalitarian state leads.

the freedom of the members of society, but the unlimited freedom A distinguished American economist, Professor Frank H.

of the planner to do with society that which he pleases. This is the Knight, correctly notes that the authorities of a collectivist state confusion of freedom with power carried to the extreme.

'would have to do these things whether they wanted to or not: It is not difficult to deprive the great majority of independent and the probability of the people in power being individuals who thought. But the minority who will retain an inclination to criti-would dislike the possession and exercise of power is on a level cize must also be silenced. Public criticism or even expressions of with the probability that an extremely tender-hearted person doubt must be suppressed because they tend to weaken support would get the job of whipping master in a slave plantation'.

of the regime. As Sidney and Beatrice Webb report of the position A further point should be made here: collectivism means the in every Russian enterprise: 'Whilst the work is in progress, any end of truth. To make a totalitarian system function effi ciently it is public expression of doubt that the plan will be successful is an act not enough that everybody should be

forced to work for the ends of disloyalty and even of treachery because of its possible effect on selected by those in control; it is essential that the people should the will and efforts of the rest of the staff.'

come to regard these ends as their own. This is brought about by Control extends even to subjects which seem to have no polit-propaganda and by complete control of all sources of information.

ical significance. The theory of relativity, for instance, has been 54

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opposed as a 'Semitic attack on the foundation of Christian and and America are those which the progress of collectivism and its Nordic physics' and because it is 'in conflict with dialectical materialistic tendencies are progressively destroying.

rialism and Marxist dogma'. Every activity must derive its justification from conscious social purpose. There must be no spontaneous, **Planning vs. the Rule of Law**

unguided activity, because it might produce results which cannot be foreseen and for which the plan does not provide.

Nothing distinguishes more clearly a free country from a country The principle extends even to games and amusements. I leave under arbitrary government than the observance in the former of it to the reader to guess where it was that chess players were the great principles known as the Rule of Law. Stripped of tech-officially exhorted that 'we must finish once and for all with the niceties this means that government in all its actions is bound neutrality of chess. We must condemn once and for all the formula by rules fixed and announced beforehand – rules that make it chess for the sake of chess.'

possible to foresee with fair certainty how the authority will use Perhaps the most alarming fact is that contempt for intellectual its coercive powers in given circumstances and to plan one's liberty is not a thing which arises only once the totalitarian system individual affairs on the basis of this knowledge. Thus, within is established, but can be found everywhere among those who have the known rules of the game, the individual is free to pursue his embraced a collectivist faith. The worst oppression is condoned if it personal ends, certain that the powers of government will not be is committed in the name of socialism. Intolerance of opposing ideas used deliberately to frustrate his efforts.

is openly extolled. The tragedy of collectivist thought is that while it Socialist economic planning necessarily involves the very starts out to make reason supreme, it ends by destroying reason.

opposite of this. The planning authority cannot tie itself down in There is one aspect of the change in moral values brought advance to general rules which prevent arbitrariness.

about by the advance of collectivism which provides special food When the government has to decide how many pigs are to for thought. It is that the virtues which are held less and less in be raised or how many buses are to run, which coal-mines are esteem in Britain and America are precisely those on which Anglo-to operate, or at what prices shoes are to be sold, these decisions Saxons justly prided themselves and in which they were gener- cannot be settled for long periods in advance. They depend inevit-ally recognized to excel. These virtues were independence and ably on the circumstances of the moment, and in making such self-reliance, individual initiative and local responsibility, the decisions it will always be necessary to balance, one against the successful reliance on voluntary activity, non-interference with other, the interests of various persons and groups.

one's neighbour and tolerance of the different, and a healthy In the end somebody's views will have to decide whose inter-suspicion of power and authority.

ests are more important, and these views must become part of Almost all the traditions and institutions which have moulded the law of the land. Hence the

familiar fact that the more the state the national character and the whole moral climate of England

‘plans’, the more difficult planning becomes for the individual.

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Is planning ‘inevitable’?

The difference between the two kinds of rule is important. It is the same as that between providing signposts and commanding. It is revealing that few planners today are content to say that people which road to take.

central planning is desirable. Most of them affirm that we now are. Moreover, under central planning the government cannot be compelled to it by circumstances beyond our control.

impartial. The state ceases to be a piece of utilitarian machinery. One argument frequently heard is that the complexity of intended to help individuals in the fullest development of their individual personality and becomes creates new problems with which we cannot deal effectively except by central an institution which deliberately hopes to deal effectively except by central planning. This argument discriminates between particular needs of different people, and is based upon a complete misapprehension of the working of allows one man to do what another must be prevented from doing.

competition. The very complexity of modern conditions makes it must lay down by a legal rule how well off particular people shall be. competition the only method by which a coordination of affairs be and what different people are to be allowed to have.

can be adequately achieved.

The Rule of Law, the absence of legal privileges of particular There would be no difficulty about efficient control of people designated by authority, is what safeguards that equality planning were conditions so simple that a single person or board before the law which is the opposite of arbitrary government. It could effectively survey all the facts. But as the factors which have is significant that socialists (and Nazis) have always protested to be taken into account become numerous and complex, no one against 'merely' formal justice, that they have objected to law centre can keep track of them. The constantly changing conditions which had no views on how well off particular people ought to be, of demand and supply of different commodities can never be fully that they have demanded a 'socialization of the law' and attacked known or quickly enough disseminated by any one centre.

the independence of judges.

Under competition – and under no other economic order –

In a planned society the law must legalize what to all intents the price system automatically records all the relevant data. Entrepreneurs and purposes remains arbitrary action. If the law says that such entrepreneurs, by watching the movement of comparatively few prices, a board or authority may do what it pleases, anything that board as an engineer watches a few dials, can adjust their activities to or authority does is legal – but its actions are certainly not subject those of their fellows.

to the Rule of Law. By giving the government unlimited powers Compared with this method of solving the economic problem the most arbitrary rule can be made legal; and in this way a demo-

– by decentralization plus automatic coordination through cracy may set up the most complete despotism imaginable.

the price system – the method of central direction is incredibly The Rule of Law was consciously evolved only during the clumsy, primitive, and limited in scope. It is no exaggeration to say liberal age and is one of its greatest achievements. It is the legal that if we had had to rely on central planning for the growth of our embodiment of freedom. As Immanuel Kant put it, 'Man is free if industrial system, it would never have reached the degree of differ-he

needs obey no person but solely the laws.'

entiation and flexibility it has attained. Modern civilization has 58

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been possible precisely because it did not have to be consciously imposed. In the United States a highly protectionist policy aided created. The division of labour has gone far beyond what could the growth of monopolies. In Germany the growth of cartels has have been planned. Any further growth in economic complexity, since 1878 been systematically fostered by deliberate policy. It was far from making central direction more necessary, makes it more here that, with the help of the state, the first great experiment in important than ever that we should use the technique of competi-

'scientific planning' and 'conscious organization of industry' led to and not depend on conscious control.

to the creation of giant monopolies. The suppression of competition-It is also argued that technological changes have made competition was a matter of deliberate policy in Germany, undertaken in competition impossible in a constantly increasing number of fields and the service of an ideal which we now call planning.

that our only choice is between control of production by private Great danger lies in the policies of two powerful groups, organized monopolies and direction by the government. The growth of organized capital and organized labour, which support the monopol-monopoly, however, seems not so much a necessary consequence of organization of industry. The recent growth of monopoly is of the advance of technology as the result of the policies pursued largely the result of a deliberate collaboration of organized capital in most countries.

and organized labour where the privileged groups of labour The most comprehensive study of this situation is that by share in the monopoly profits

at the expense of the community the Temporary National Economic Committee, which certainly and particularly at the expense of those employed in the less well cannot be accused of an unduly liberal bias. The committee organized industries. However, there is no reason to believe that concludes:

this movement is inevitable.

The movement toward planning is the result of deliberate The superior efficiency of large establishments has not action. No external necessities force us to it.

been demonstrated; the advantages that are supposed to destroy competition have failed to manifest themselves in many fields . . . the conclusion that the advantage of large-Can planning free us from care?

scale production must lead inevitably to the abolition of competition cannot be accepted . . . It should be noted, Most planners who have seriously considered the practical aspects moreover, that monopoly is frequently attained through of their task have little doubt that a directed economy must be run collusive agreement and promoted by public policies.

on dictatorial lines, that the complex system of interrelated activities-When these agreements are invalidated and these policies ties must be directed by staffs of experts, with ultimate power in reversed, competitive conditions can be restored.

the hands of a commander-in-chief whose actions must not be Anyone who has observed how aspiring monopolists regularly fettered by democratic procedure. The consolation our planners seek the assistance of the state to make their control effective can offer us is that this authoritarian direction will apply 'only' to have little doubt that there is nothing inevitable about this development-economic matters. This assurance is usually accompanied by the 60

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suggestion that, by giving up freedom in the less important aspects allowed to choose, and that whoever fixed the reward would deter-of our lives, we shall obtain freedom in the pursuit of higher values.

mine not only its size but the way in which it should be enjoyed.

On this ground people who abhor the idea of a political dictator-The so-called economic freedom which the planners promise us ship often clamour for a dictator in the economic field.

means precisely that we are to be relieved of the necessity of solving The arguments used appeal to our best instincts. If planning our own economic problems and that the bitter choices which this really did free us from less important cares and so made it easier often involves are to be made for us. Since under modern conditions to render our existence one of plain living and high thinking, who are for almost everything dependent on means which our would wish to belittle such an ideal?

fellow men provide, economic planning would involve direction of Unfortunately, purely economic ends cannot be separated almost the whole of our life. There is hardly an aspect of it, from from the other ends of life. What is misleadingly called the our primary needs to our relations with our family and friends,

‘economic motive’ means merely the desire for general opportunity from the nature of our work to the use of our leisure, over which tunity. If we strive for money, it is because money offers us the the planner would not exercise his ‘conscious control’.

widest choice in enjoying the fruits of our efforts – once earned, The power of the planner over our private lives would be we are free to spend the money as we wish.

hardly less effective if the consumer were nominally free to spend Because it is through the limitation of our money incomes that his income as he pleased, for the authority would control production-we feel the restrictions which our

relative poverty still imposes tion.

on us, many have come to hate money as the symbol of these Our freedom of choice in a competitive society rests on the restrictions. Actually, money is one of the greatest instruments fact that, if one person refuses to satisfy our wishes, we can turn to of freedom ever invented by man. It is money which in existing another. But if we face a monopolist we are at his mercy. And an society opens an astounding range of choice to the poor man – a authority directing the whole economic system would be the most range greater than that which not many generations ago was open powerful monopolist imaginable.

to the wealthy.

It would have complete power to decide what we are to be given We shall better understand the signifi cance of the service of and on what terms. It would not only decide what commodities money if we consider what it would really mean if, as so many and services are to be available and in what quantities; it would be socialists characteristically propose, the ‘pecuniary motive’ were able to direct their distribution between districts and groups and largely displaced by ‘non-economic incentives’. If all rewards, could, if it wished, discriminate between persons to any degree instead of being offered in money, were offered in the form of it liked. Not our own view, but somebody else’s view of what we public distinctions, or privileges, positions of power over other ought to like or dislike, would determine what we should get.

men, better housing or food, opportunities for travel or education, The will of the authority would shape and ‘guide’ our daily this would merely mean that the recipient would no longer be lives even more in our position as producers. For most of us the 62

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time we spend at our work is a large part of our whole lives, and others. People just wish that the choice should not be necessary our job usually determines the place where and the people among at all. And they are only too ready to believe that the choice is whom we live. Hence some freedom in choosing our work is not really necessary, that it is imposed upon them merely by the probably even more important for our happiness than freedom to particular economic system under which we live. What they resent spend our income during our hours of leisure.

is, in truth, that there is an economic problem.

Even in the best of worlds this freedom will be limited. Few The wishful delusion that there is really no longer an economic people ever have an abundance of choice of occupation. But what problem has been furthered by the claim that a planned economy matters is that we have some choice, that we are not absolutely would produce a substantially larger output than the competitive tied to a job which has been chosen for us, and that if one position system. This claim, however, is being progressively abandoned by becomes intolerable, or if we set our heart on another, there is most students of the problem. Even a good many economists with always a way for the able, at some sacrifice, to achieve his goal.

socialist views are now content to hope that a planned society Nothing makes conditions more unbearable than the knowledge will equal the efficiency of a competitive system. They advocate that no effort of ours can change them. It may be bad to be just a planning because it will enable us to secure a more equitable cog in a machine but it is infinitely worse if we can no longer leave distribution of wealth. And it is indisputable that, if we want it, if we are tied to our place and to the superiors who have been consciously to decide who is to have what, we must plan the whole chosen for us.

economic system.

In our present world there is much that could be done to But the question remains whether the price we should have to improve our opportunities of choice. But 'planning' would surely pay for the realization of somebody's ideal of justice is not bound go in the opposite direction. Planning must control the entry to be more discontent and more oppression than was ever

caused into the different trades and occupations, or the terms of remuneration by the much abused free play of economic forces.

eration, or both. In almost all known instances of planning, the For when a government undertakes to distribute the wealth, establishment of such controls and restrictions was among the by what principles will it or ought it to be guided? Is there a first measures taken.

definite answer to the innumerable questions of relative merits In a competitive society most things can be had at a price. It that will arise?

is often a cruelly high price. We must sacrifice one thing to attain Only one general principle, one simple rule, would provide another. The alternative, however, is not freedom of choice, but such an answer: absolute equality of all individuals. If this were orders and prohibitions which must be obeyed.

the goal, it would at least give the vague idea of distributive justice That people should wish to be relieved of the bitter choice clear meaning. But people in general do not regard mechanical which hard facts often impose on them is not surprising. But few equality of this kind as desirable, and socialism promises not want to be relieved through having the choice made for them by complete equality but 'greater equality'.

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This formula answers practically no questions. It does not general level of wealth ours has, the first kind of security should free us from the necessity of deciding in every particular instance not be guaranteed to all without endangering general freedom; between the merits of particular individuals or groups, and it gives that is: some minimum of food, shelter and clothing, sufficient to no help in that decision. All it tells us in effect is to take from the preserve health. Nor is there any reason why the state should not rich as much

as we can. When it comes to the distribution of the help to organize a comprehensive system of social insurance in spoils the problem is the same as if the formula of 'greater equality'

providing for those common hazards of life against which few can had never been conceived.

make adequate provision.

It is often said that political freedom is meaningless without It is planning for security of the second kind which has such economic freedom. This is true enough, but in a sense almost an insidious effect on liberty. It is planning designed to protect opposite from that in which the phrase is used by our planners.

individuals or groups against diminutions of their incomes.

The economic freedom which is the prerequisite of any other If, as has become increasingly true, the members of each trade freedom cannot be the freedom from economic care which the in which conditions improve are allowed to exclude others in socialists promise us and which can be obtained only by relieving order to secure to themselves the full gain in the form of higher us of the power of choice. It must be that freedom of economic wages or profits, those in the trades where demand has fallen off activity which, together with the right of choice, carries also the have nowhere to go, and every change results in large unemploy-risk and responsibility of that right.

ment. There can be little doubt that it is largely a consequence of the striving for security by these means in the last decades that unemployment and thus insecurity have so much increased.

Two kinds of security

The utter hopelessness of the position of those who, in a Like the spurious 'economic freedom', and with more justice, society which has thus grown rigid, are left outside the range of economic security is often represented as an indispensable condi-sheltered occupation can be appreciated only by those who have tion of real liberty. In a sense this is both true and important. Inde-

experienced it. There has never been a more cruel exploitation of dependence of mind or strength of character is rarely found among one class by another than that of the less fortunate members of a class of those who cannot be confident that they will make their way by group of producers by the well-established. This has been made their own effort.

possible by the 'regulation' of competition. Few catchwords have But there are two kinds of security: the certainty of a given done so much harm as the ideal of a 'stabilization' of particular minimum of sustenance for all and the security of a given standard prices or wages, which, while securing the income of some, makes of life, of the relative position which one person or group enjoys the position of the rest more and more precarious.

compared with others.

In England and America special privileges, especially in the There is no reason why, in a society which has reached the form of the 'regulation' of competition, the 'stabilization' of 66

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particular prices and wages, have assumed increasing importance.

satisfy the new demands, we shall not unwittingly destroy values With every grant of such security to one group the insecurity of which we still rate higher.

the rest necessarily increases. If you guarantee to some a fixed part The conflict with which we have to deal is a fundamental one of a variable cake, the share left to the rest is bound to fluctuate between two irreconcilable types of social organization, which proportionally more than the size of the whole. And the essential have often been described as the commercial and the military.

element of security which the competitive system offers, the great In either both choice and risk rest with the individual or he is variety of opportunities, is more and more reduced.

relieved of both. In the army, work and worker alike are allotted The general endeavour to achieve security by restrictive by authority, and this is the only system in which the individual measures, supported by the state, has in the course of time can be conceded full economic security. This security is, however, produced a progressive transformation of society – a transforma-inseparable from the restrictions on liberty and the hierarchical tion in which, as in so many other ways, Germany has led and the order of military life – it is the security of the barracks.

other countries have followed. This development has been hastened In a society used to freedom it is unlikely that many people by another effect of socialist teaching, the deliberate disparagement would be ready deliberately to purchase security at this price.

of all activities involving economic risk and the moral opprobrium But the policies which are followed now are nevertheless rapidly cast on the gains which make risks worth taking but which only few creating conditions in which the striving for security tends to can win.

become stronger than the love of freedom.

We cannot blame our young men when they prefer the safe, If we are not to destroy individual freedom, competition must salaried position to the risk of enterprise after they have heard be left to function unobstructed. Let a uniform minimum be from their earliest youth the former described as the superior, secured to everybody by all means; but let us admit at the same more unselfi sh and disinterested occupation. The younger gener-time that all claims for a privileged security of particular classes ation of today has grown up in a world in which, in school and must lapse, that all excuses disappear for allowing particular press, the spirit of commercial enterprise has been represented groups to exclude newcomers from sharing their relative pros-as disreputable and the making of profi t as immoral, where to perity in order to maintain a special standard of their own.

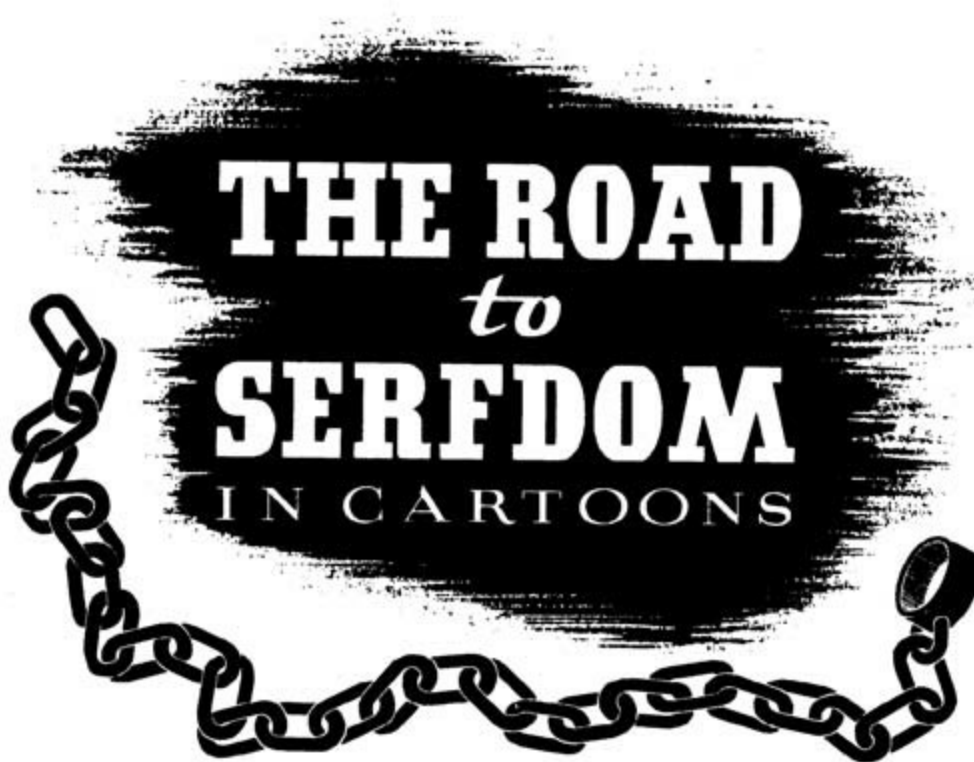
employ 100 people is represented as exploitation but to command There can be no question that adequate security against the same number as honourable.

severe privation will have to be one of our main goals of policy.

Older people may regard this as exaggeration, but the daily But nothing is more fatal than the present fashion of intellectual experience of the university teacher leaves little doubt that, as a leaders of extolling security at the expense of freedom. It is essen-result of anti-capitalist propaganda, values have already altered tial that we should re-learn frankly to face the fact that freedom far in advance of the change in institutions which has so far taken can be had only at a price and that as individuals we must be place. The question is whether, by changing our institutions to prepared to make severe material sacrifici ces to preserve it.

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We must regain the conviction on which liberty in the Anglo-Saxon countries has been based and which Benjamin Franklin expressed in a phrase applicable to us as individuals no less than as nations: 'Those who would give up essential liberty to purchase a little temporary safety deserve neither liberty nor safety.'

Toward a better world

To build a better world, we must have the courage to make a new start. We must clear away the obstacles with which human folly has recently encumbered our path and release the creative energy of individuals. We must create conditions favourable to progress rather than 'planning progress'.

It is not those who cry for more 'planning' who show the necessary courage, nor those who preach a 'New Order', which is no more than a continuation of the tendencies of the past 40

years, and who can think of nothing better than to imitate Hitler.

It is, indeed, those who cry loudest for a planned economy who are most completely under the sway of the ideas which have created Originally published in Look magazine

this war and most of the evils from which we suffer.

The guiding principle in any attempt to create a world of free Reproduced from a booklet published by

men must be this: a policy of freedom for the individual is the only General Motors, Detroit, in the 'Thought Starter' series (no. 118) truly progressive policy.

2

Many want "planning" to stay . . .

Arguments for a "peace production board" are heard before the war ends. Wartime "planners" who want to stay in power, encourage the idea.



1

War forces "national planning"

To permit total mobilization of your country's economy, you gladly surrender many freedoms. You know regimentation was forced by your country's enemies.



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but they can't agree on ONE Utopia

With peace, a new legislature meets;
but "win the war" unity is gone. The
"planners" nearly come to blows. Each
has his own pet plan, won't budge.



3

The "Planners" promise Utopias

A rosy plan for farmers goes well in rural areas, a plan for industrial workers is popular in cities—and so on. Many new "planners" are elected to office



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6

"Planners" hate to force agreement . . .

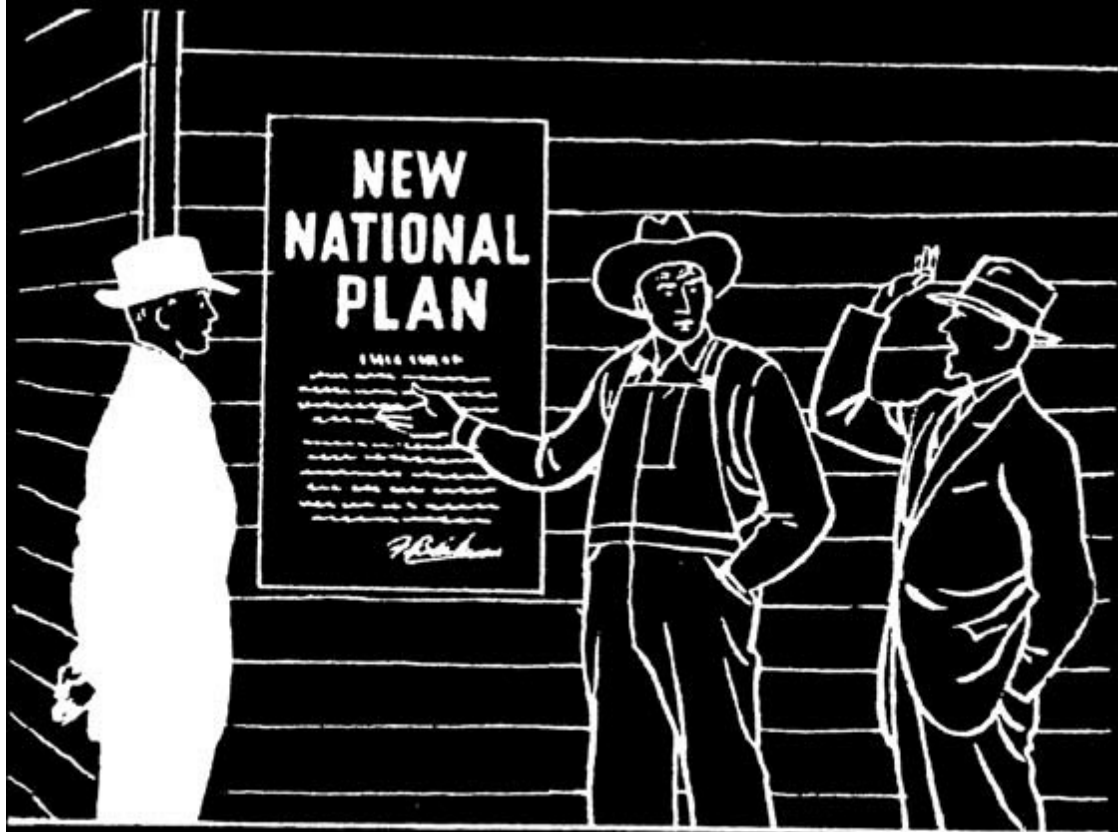
Most "national planners" are well-meaning idealists, balk at any use of force. They hope for some miracle of public agreement as to their patchwork plan.



5

And citizens can't agree either

When the "planners" finally patch up a temporary plan months later, citizens in turn disagree. What the farmer likes, the factory worker doesn't like.



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The gullible do find agreement

Meanwhile, growing national confusion leads to protest meetings. The least educated—thrilled and convinced by fiery oratory, form a party.



7

They try to "sell" the plan to all . . .

In an unsuccessful effort to educate people to uniform views, "planners" establish a giant propaganda machine —*which coming dictator will find handy.*



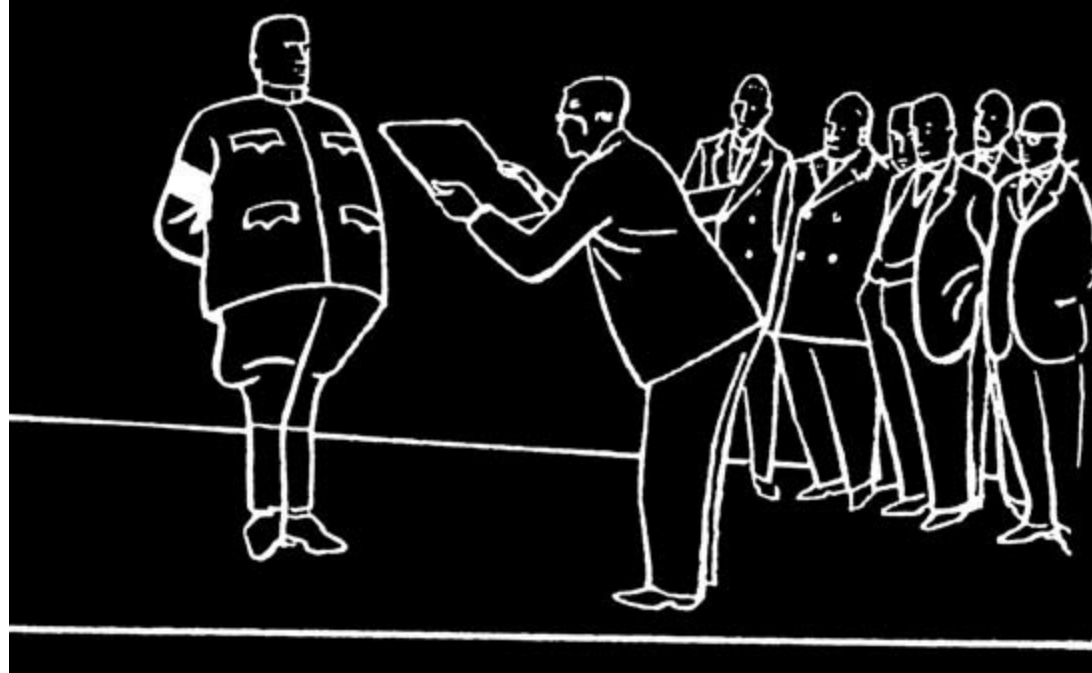
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The "strong man" is given power . . .

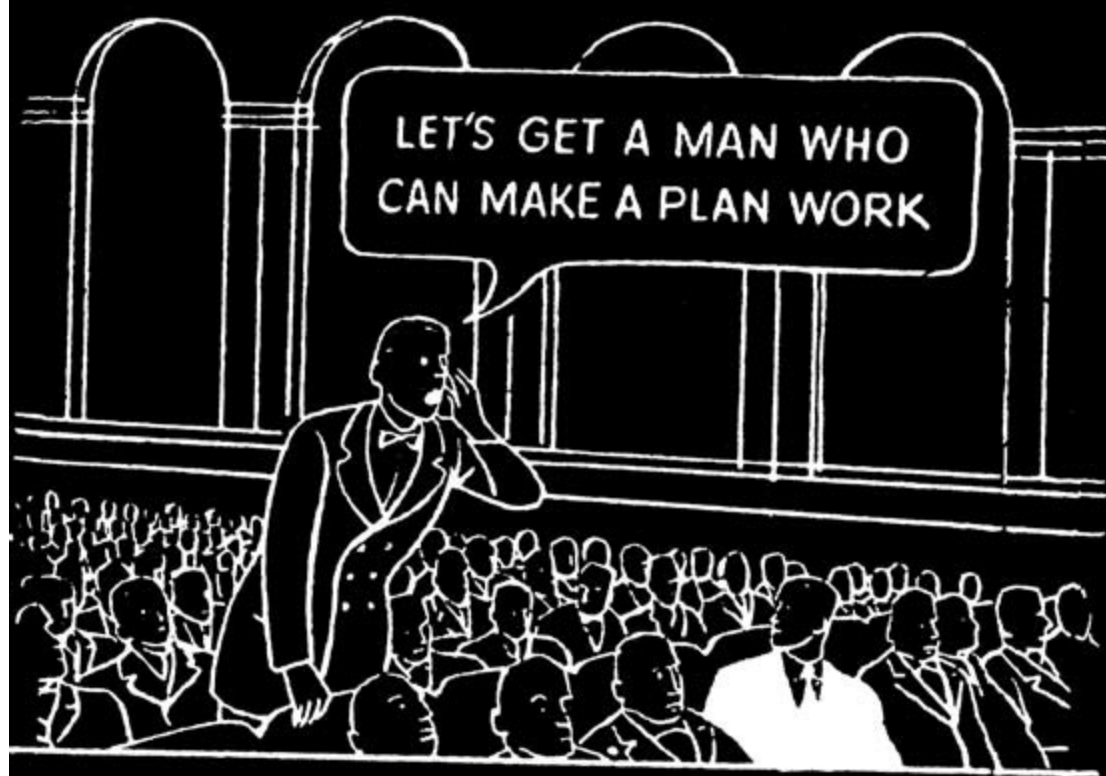
In desperation, "planners" authorize the new party leader to hammer out a plan and force its obedience. Later, they'll dispense with him—or so *they think*.



9

Confidence in "planners" fades

The more that the "planners" improvise,
the greater the disturbance to normal
business. Everybody suffers. People now
feel—rightly—that "planners" *can't* get
things done!



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A negative aim welds party unity . . .

Early step of all dictators is to inflame the majority in common cause against some scapegoat minority. In Germany, the negative aim was *Anti-Semitism*.



11

The party takes over the country . . .

By now, confusion is so great that obedience to the new leader must be obtained at all costs. Maybe you join the party yourself to aid national unity.



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14

Your profession is "planned"

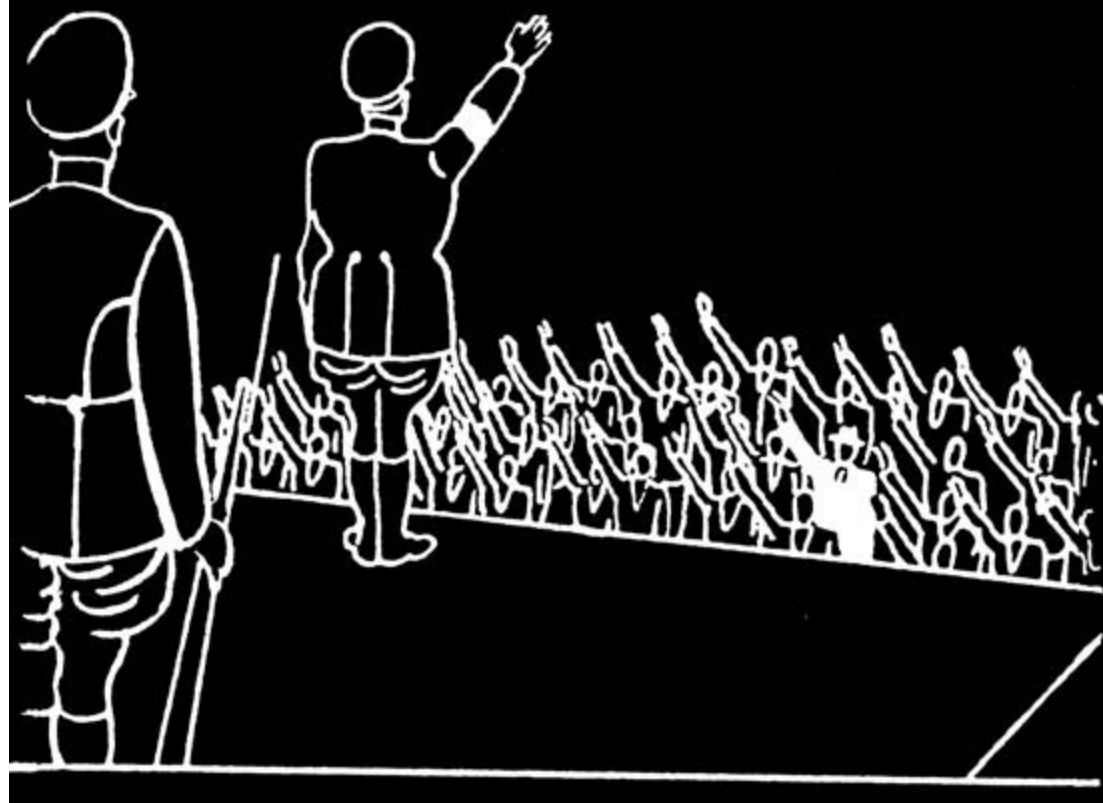
The wider job choice promised by now defunct "planners" turns out to be a tragic farce. "Planners" never have delivered, never will be able to.



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No one opposes the leader's plan . . .

It would be suicide; new secret police are ruthless. Ability to force obedience always becomes the No. 1 virtue in the "planned state." Now *all* freedom is gone.



theroadtoserfdom

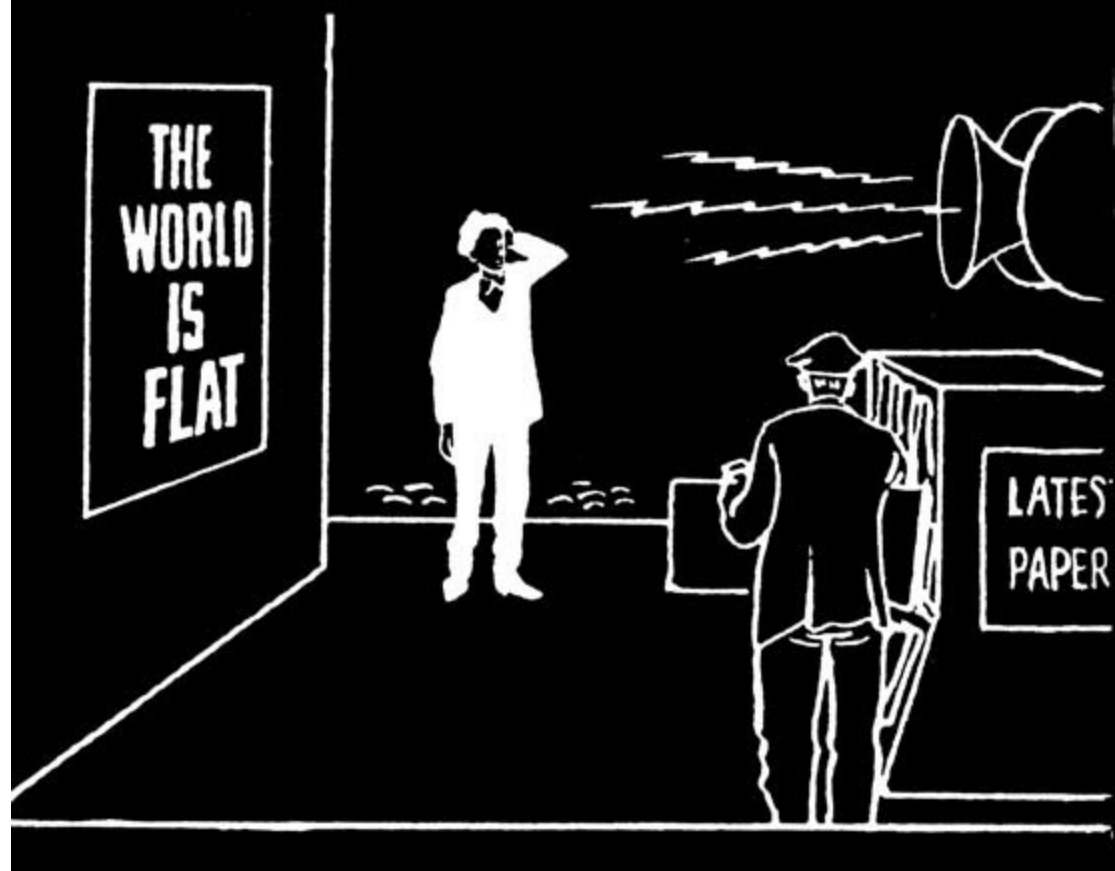
theroadtoserfdomincartoons84

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16

Your thinking is "planned"

In the dictatorship, unintentionally created by the planners, there is no room for difference of opinion. Posters, radio, press—all tell you the same lies!



15

Your wages are "planned"

Divisions of the wage scale must be arbitrary and rigid. Running a "planned state" from central headquarters is *clumsy, unfair, inefficient.*



theroadtoserfdom

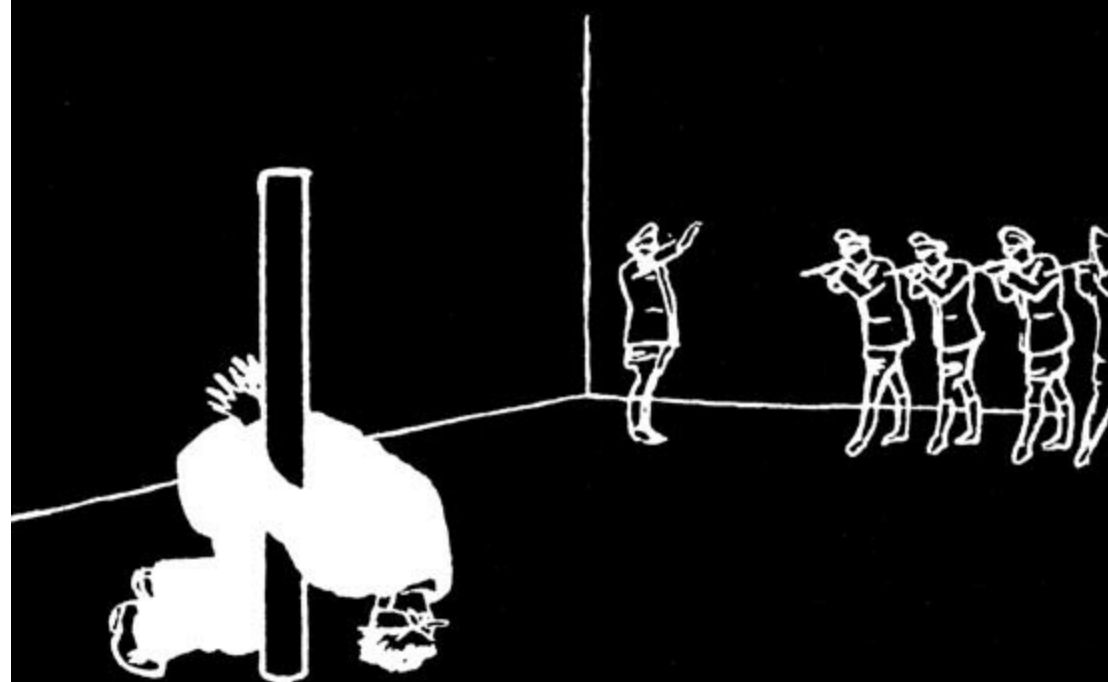
theroadtoserfdomincartoons 86

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Your disciplining is "planned"

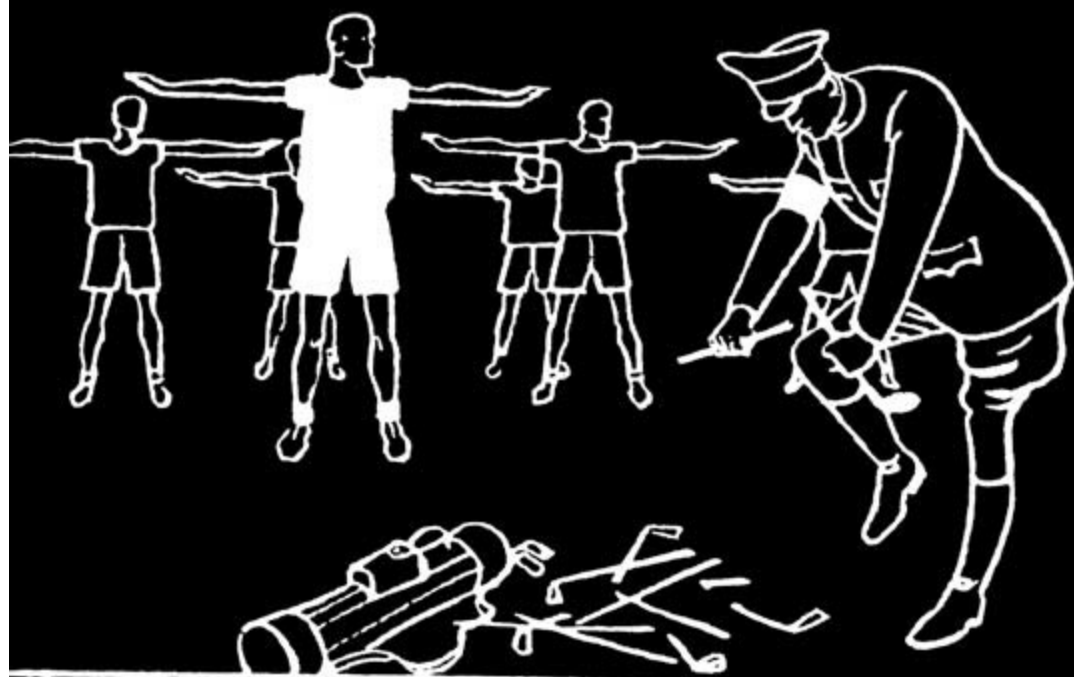
If you're fired from your job, it's apt to be by a firing squad. What used to be an error has now become a *crime* against the state. ***Thus ends the road to serfdom!***



17

Your recreation is "planned"

It is no coincidence that sports and amusements have been carefully "planned" in all regimented nations. Once started, "planners" can't stop.



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The Intellectuals and Socialism

A note on the text

‘The Intellectuals and Socialism’ was first published in the University of Chicago Law Review, Vol. 16, No. 3, Spring 1949. It was reprinted in F. A. Hayek, *Studies in Philosophy, Politics and Economics*, Routledge and Kegan Paul, London, 1967. It was published as a booklet in the *Studies in Social Theory Series* by the Institute of Humane Studies, California, 1971. The text of this edition is taken from *Studies in Philosophy, Politics and Economics*.

The copyright of ‘The Intellectuals and Socialism’ remains with the University of Chicago Law Review, and the essay is republished here by kind permission. This essay was also previously published by the IEA in the *Rediscovered Riches* series.

FOREWORD

In the late Professor F. A. Hayek’s 1949 essay, ‘The Intellectuals and Socialism’, the author’s final paragraph warns: ‘Unless we can make the philosophic foundations of a free society once more a living intellectual issue, and its implementation a task which challenges the ingenuity and imagination of our liveliest minds, the prospects of freedom are indeed dark. But if we can regain that belief in the power of ideas which was the mark of liberalism at its best, the battle is not lost. The intellectual revival of liberalism is already under way in many parts of the world. Will it be in time?’

Fortunately, Professor Hayek’s warning was heeded, just in time. His colleagues in the Mont Pèlerin Society, his students, and his admirers from around the world took his message to heart, and they have spent the decades since the publication of this essay honing their arguments for liberty, and

transmitting these ideas through institutions, publications and conferences with a success undreamt of in 1949.

For many of us, Hayek's brief essay was a call to action. In it, he explained the process by which ideas are developed and become widely accepted, and he noted why our own classical liberal ideas may not be as widely held, or as fashionable, as they deserve to be.

For too long we had underestimated the power of the 'intellectual class' – the 'professional second-hand dealers in ideas', as Hayek refers to them – to shape the climate of public opinion. As Hayek 93

the intellectuals and socialism foreword

pointed out, the parties of the Left directed most of their energies, held up before the public. 'Very few of the other programmes either by design or circumstance, toward gaining the support which offered themselves provided genuine alternatives.' (p. 123.) of this intellectual elite – the journalists, teachers, ministers, Compromises were thus made somewhere between the socialist lecturers, publicists, writers, and artists who were masters of the ideal and the existing state of affairs. The only questions for technique of conveying ideas. At the time of this essay Hayek said socialists were how fast and how far to proceed. Conservatives that most of us learn little about events or ideas except through have learned this lesson: it is not enough to stop bad policies, we this class (and with the growth of television, it's probably even have to offer genuine alternatives.

less). The intellectuals have become gatekeepers for the informa-Since the original publication of 'The Intellectuals and tion, views, and opinions that ultimately do reach us. Conservat-Socialism' we have developed the philosophical foundations of a ives, by contrast, had concentrated on reaching and persuading free society, thanks to Hayek, our friends at the IEA, and others.

individual voters.

And we have built a class of intellectuals to translate these philo-For many of us, this essay was a challenge to build up our sophical ideas to the public.

However, we have not held up before our own class of intellectuals made up of those who loved liberty.

the public our own vision of a future society built on liberty. And We trained, hired, networked, and supported academics, policy this is the task facing us as we approach the new millennium. As analysts, journalists, radio talk show hosts, and even political Hayek said, the task of constructing a free society can be exciting leaders who would shape public opinion and influence the and fascinating. If we are to succeed, we must make the building politics of tomorrow. And in many areas we have succeeded in of a free society once more an intellectual adventure and a deed of changing the climate of public opinion and changing the world.

courage.

Communism has failed, the Berlin Wall has been torn down, and As an alumnus of the Institute of Economic Affairs, I particularly thank our good friends at the IEA for republishing this very and Prime Minister Blair are embracing the rhetoric of our class-special essay, and most importantly for the many courageous social liberal solutions when talking of some of our modern social intellectual adventures they have undertaken.

problems. I believe the irony would not be lost on Professor edwin j. feulner jr

Hayek!

Clearly much remains to be done before we can enjoy a truly free society. And for guidance we should once again turn to Hayek. As he points out, much of the success socialism gained up until 1949 was not by engaging in a battle of conflicting ideals, but by contrasting the existing state of affairs with that one ideal of a possible future society which the socialists alone 94

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i n t r o d u c t i o n

intervention with all that followed. If I shared the view that better ideas were not getting a fair hearing, his counsel was **INTRODUCTION**

that I should join with others in forming a scholarly research *Hayek and the Second-hand Dealers in Ideas*

organisation to supply intellectuals in universities, schools, journalism and broadcasting with authoritative studies of the economic theory of markets and its application to practical affairs.¹

In April 1945 Reader's Digest published the condensed version Fisher went on to make his fortune by introducing factory of Friedrich Hayek's classic work *The Road to Serfdom*. For the first farming of chickens on the American model to Britain. His and still the only time in the history of the Digest, the condensed company, Buxted Chickens, changed the diet of his fellow coun-book was carried at the front of the magazine rather than the back.

trymen, and made him rich enough to carry out Hayek's advice.

Among the many who read the condensed book was Antony He set up the Institute of Economic Affairs in 1955 with the view Fisher. In his very early thirties, this former Battle of Britain that:

pilot turned stockbroker turned farmer went to see Hayek at the London School of Economics to discuss his concern over the

[T]hose carrying on intellectual work must have a considerable impact through newspapers, radio, television advance of socialism and collectivism in Britain. Fisher feared that and so on, on the thinking of the average individual.

the country for whom so many, including his father and brother, Socialism was spread in this way and it is time we started to had died in two world wars in order that it should remain free was, reverse the process.²

in fact, becoming less and less free. He saw liberty threatened by the ever-growing power and scope of the state. The purpose of his He thus set himself

exactly the task which Hayek had recom-visit to Hayek, the great architect of the revival of classical liberal mended to him in 1945.

ideas, was to ask what could be done about it.

My central question was what, if anything, could he advise Soon after that meeting with Fisher, Hayek expanded on his theory me to do to help get discussion and policy on the right lines of the infl uence of intellectuals in an essay entitled ‘The Intellec-

. . . Hayek fi rst warned me against wasting time – as I was tuals and Socialism’, fi rst published in the Chicago Law Review in then tempted – by taking up a political career. He explained 1949 and now republished by the Institute of Economic Affairs.

his view that the decisive infl uence in the battle of ideas and policy was wielded by intellectuals whom he characterised 1

A. Fisher, *Must History Repeat Itself?*, Churchill Press, 1974, p. 103, quoted in R.

as the ‘second-hand dealers in ideas’. It was the dominant Cockett, *Thinking the Unthinkable*, HarperCollins, London, 1995, pp. 123–4.

intellectuals from the Fabians onwards who had tilted 2

Letter from Antony Fisher to Oliver Smedley, 22 May 1956, quoted in R. Cockett, the political debate in favour of growing government op. cit., p. 131. Emphasis in original.

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t h e i n t e l l e c u a l s a n d s o c i a l i s m i n t r o d u c t i o n

According to Hayek, the intellectual is neither an original thinker Hayek’s primary example is the period 1850 to 1950, during nor an expert. Indeed he need not even be intelligent. What he which socialism was nowhere, at fi rst,

a working-class movement.

does possess is:

There was always a long-term effort by the intellectuals before the working classes accepted socialism. Indeed all countries that a) the ability to speak/write on a wide range of subjects; and have turned to socialism experienced an earlier phase in which for b) a way of becoming familiar with new ideas earlier than his many years socialist ideas governed the thinking of more active audience.

intellectuals. Once you reach this phase, experience suggests, it is just a matter of time before the views of today's intellectuals Let me attempt to summarise Hayek's insights:

become tomorrow's politics.

'The Intellectuals and Socialism' was published in 1949, but, 1. Pro-market ideas had failed to remain relevant and inspiring, apart from one reference in one sentence, there is nothing to say it thus opening the door to anti-market forces.

could not have been written forty years later, just before Hayek's 2. People's knowledge of history plays a much greater role in the death. It might have been written forty years earlier but for the development of their political philosophy than we normally fact that, as a young man, he felt the over-generous instincts of think.³

socialism. When Hayek penned his thoughts, socialism seemed 3. Practical men and women concerned with the minutiae of triumphant across the world. Anybody of enlightened sensibility today's events tend to lose sight of long-term considerations.

regarded themselves as of 'The Left'. To be of 'The Right' was to be 4. Be alert to special interests, especially those that, while morally deformed, foolish, or both.

claiming to be pro-free enterprise in general, always want to In Alan

Bennett's 1968 play *Forty Years On* the headmaster of make exceptions in their own areas of expertise.

Albion House, a minor public school which represents Britain, 5. The outcome of today's politics is already set, so look for asks: 'Why is it always the intelligent people who are socialists?'⁴

leverage for tomorrow as a scholar or intellectual.

Hayek's answer, which he expressed in his last major work, *The 6. The intellectual is the gatekeeper of ideas.*

Fatal Conceit, was that 'intelligent people will tend to overvalue 7. The best pro-market people become businessmen, engineers, intelligence'. They think that everything worth knowing can be doctors and so on; the best anti-market people become discovered by processes of intellectual examination and 'find it intellectuals and scholars.

hard to believe that there can exist any useful knowledge that did 8. Be Utopian and believe in the power of ideas.

not originate in deliberate experimentation'. They consequently 3

As Leonard P. Liggio, executive vice president of the Atlas Economic Research Foundation, often says, more people learn their economics from history than 4 A.

Bennett,

Forty Years On, first performance 31 October 1968; Faber and Faber, from economics.

London, 1969, p. 58.

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the intellectuals and socialism introduction

neglect the 'traditional rules', the 'second endowment' of 'cultural socialism derive from socialist sources their knowledge on most evolution' which, for Hayek, included morals, especially 'our insti-subjects on which they have no fi rst-hand information' (p. 112).

tutions of property, freedom and justice'. They think that any Division of knowledge is a part of the division of labour. Know-imperfection can be corrected by 'rational coordination' and this ledge, and its manipulation, are the bulk of much labour now. A leads them 'to be favourably disposed to the central economic majority earns its living in services of myriad sorts rather than in planning and control that lie at the heart of socialism'. Thus, manufacturing or agriculture.

whether or not they call themselves socialists, 'the higher we A liberal, or as Hayek would always say, a Whig, cannot climb up the ladder of intelligence . . . the more likely we are to disagree with a socialist analysis in a fi eld in which he has no encounter socialist convictions'.⁵

knowledge. The disquieting theme of Hayek's argument is how the fragmentation of knowledge is a tactical boon to socialists. Experts Only when you start to list all the different groups of intellectuals in particular fi elds often gain 'rents' from state intervention and, do you realise how many there are, how their role has grown in while overtly free-market in their outlook elsewhere, are always modern times, and how dependent we have become on them. The quick to explain why the market does not work in their area.

more obvious ones are those who are professionals at conveying This was one of the reasons for establishing the IEA and its a message but are amateurs when it comes to substance. They 100-plus sister bodies around the world. Hayek also regarded the include the 'journalists, teachers, ministers, lecturers, publicists, creation of the Mont Pèlerin Society, which fi rst met in 1947, as an radio commentators, writers of fi ction, cartoonists, and artists'.

opportunity for minds engaged in the fi ght against socialism to However we should also note the role of 'professional men and exchange ideas – meaning, by socialism, all those ideas devoted to technicians' (p. 107) who are listened to by others with respect on empowering the state. The threat posed by the

forces of coercion topics outside their competence because of their standing. The to those of voluntary association or spontaneous action is what intellectuals decide what we hear, in what form we are to hear it concerned him.

and from what angle it is to be presented. They decide who will be The struggle has become more difficult as policy makers have heard and who will not be heard. The supremacy and pervasive-become less and less willing to identify themselves explicitly as ness of television as the controlling medium of modern culture socialists. A review of a book on socialism which appeared in 1885

makes that even more true of our own day than it was in the began:

1940s.

Socialism is the hobby of the day. Platform and study There is an alarming sentence in this essay: '[I]n most parts resound with the word, and street and debating society of the Western World even the most determined opponents of inscribe it on their banners.⁶

5 F.

Hayek,

The Fatal Conceit: The Errors of Socialism, in W. W. Bartley (ed.), The Col-
6 Review

of

Contemporary Socialism by John Rae, Charity Organisation Review,
Charlected Works of Friedrich August Hayek, Routledge, London, Vol. 1,
1988, pp. 52–4.

ity Organisation Society, London, October 1885.

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the intellectuals and socialism introduction

How unlike the home life of our own New Labour! Socialism a non-pejorative sense). Those scholars who really are the founts of has become the 's' word, and was not mentioned in the Labour new ideas are far more rare than we all suppose. However, Hayek Party's 1997 election manifesto.⁷

argues that we, and the world, are governed by ideas and that we Socialism survives, however, by transmuting itself into new can only expand our political and policy horizons by deploying forms. State-run enterprises are now frowned upon, but the ever-them.

expanding volume of regulation – financial, environmental, health He was supported in this view – and it was probably the only and safety – serves to empower the state by other means.

view they shared – by John Maynard Keynes. In 1936 Keynes had concluded his most famous book, *The General Theory of Employment, Interest and Money*, with these ringing words: generous and mannerly in acknowledging that most socialists

... the ideas of economists and political philosophers, both have benign intentions. They are blind to the real flaws of their when they are right and when they are wrong, are more recipes. Typically, Hayek ends with a point in their favour: '[I]t powerful than is commonly understood. Indeed the world is was their courage to be Utopian which gained them the support ruled by little else. Practical men, who believe themselves to of the intellectuals and therefore an influence on public opinion'

be quite exempt from any intellectual influences, are usually the slaves of some defunct economist ... Soon or late, it is (p. 129). Those who concern themselves exclusively with what ideas, not vested interests, which are dangerous for good or seems practicable are marginalised by the greater influence of evil.⁸

prevailing opinion.

I commend to you Hayek's urge not to seek compromises. We Of course, this was true of no one more than of Keynes himself, can leave that to the politicians. 'Free trade and freedom of oppor-whose followers were wreaking havoc with the world's economies tunity are ideals which still may arouse the imaginations of large long after he had become defunct. But it was also true of Hayek.

numbers, but a mere "reasonable freedom of trade" or a mere It was Hayek's great good fortune to live long enough to see his

"relaxation of controls" is neither intellectually respectable nor own ideas enter the mainstream of public policy debate. They likely to inspire any enthusiasm' (p. 129).

were not always attributed to him: they were described as Thatch-Most of the readers of this paper will be Hayek's 'second-hand erism, or Adam-Smith liberalism, or neo-conservatism, but he dealers in ideas'. Conceit makes us all prone to believe we are was responsible for their re-emergence, whether credited or not.

original thinkers, but Hayek explains that we are mostly transmit-We received a striking demonstration of this at the IEA in 1996

ters of ideas borrowed from earlier minds (hence second-hand, in when we invited Donald Brash, the Governor of the Reserve Bank 7

New Labour: Because Britain Deserves Better, The Labour Party, London, 1997. On the contrary, the manifesto complained that: 'Our system of government is cen-8

J. M. Keynes, The General Theory of Employment, Interest and Money, Macmillan, tralised, ineffi cient and bureaucratic.'

London, p. 383.

the intellectuals and socialism of New Zealand, to give the prestigious Annual Hayek Memorial Lecture on the subject of 'New Zealand's Remarkable Reforms'.

THE INTELLECTUALS AND SOCIALISM

He admitted that, although 'the New Zealand reforms have a distinctly Hayekian flavour', the architects of them were scarcely aware of Hayek at all, and Brash himself had never read a word of Hayek before being asked to give the lecture.⁹

The IEA can claim some victories in the increasing awareness of classical liberal ideas and ideals. It is hard to measure our influence

and, yet, if we awaken some young scholar to the possibility that the paradigms or conventions of a discipline may be flawed, we in all democratic countries, in the United States even more than can change the life of that mind for ever. If we convince a young man elsewhere, a strong belief prevails that the influence of the intellectual-journalist he can do more good, and have more fun, by criticising intellectuals on politics is negligible. This is no doubt true of the power of the remnants of our socialist inheritance, we can change that intellectuals to make their peculiar opinions of the moment influential. If we persuade a young politician he can harass the forces into decisions, of the extent to which they can sway the popular of inertia by tackling privilege and bureaucracy, we change the vote on questions on which they differ from the current views of course of that life too. The IEA continues in its mission to move the masses. Yet over somewhat longer periods they have probably moved the furniture in the minds of intellectuals. That includes never exercised so great an influence as they do today in those you, probably.

countries. This power they wield by shaping public opinion.

john blundell

In the light of recent history it is somewhat curious that this decisive power of the professional second-hand dealers in ideas should not yet be more generally recognised. The political development of the Western world during the last hundred years furnishes the clearest demonstration. Socialism has

never and nowhere been at first a working-class movement. It is by no means an obvious remedy for the obvious evil which the interests of that class will necessarily demand. It is a construction of theorists, deriving from certain tendencies of abstract thought with which for a long time only the intellectuals were familiar; and it required long efforts by the intellectuals before the working classes could 9

D. T. Brash, *New Zealand's Remarkable Reforms*, Occasional Paper 100, Institute of Economic Affairs, London, 1996, p. 17.

be persuaded to adopt it as their programme.

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the intellectuals and socialism the intellectuals and socialism In every country that has moved toward socialism, the phase of vainly tried directly to reach and to persuade the individual voter.

the development in which socialism becomes a determining influence on politics has been preceded for many years by a period during **II**

which socialist ideals governed the thinking of the more active intellectuals. In Germany this stage had been reached towards the end The term 'intellectuals', however, does not at once convey a true of the last century; in England and France, about the time of World picture of the large class to which we refer, and the fact that we War I. To the casual observer it would seem as if the United States have no better name by which to describe what we have called the had reached this phase after World War II and that the attraction second-hand dealers in ideas is not the least of the reasons why of a planned and directed economic system is now as strong among their power is not better understood. Even persons who use the the American intellectuals as it ever was among their German or word 'intellectual' mainly as a term of abuse are still inclined to English fellows. Experience suggests that, once this phase has been withhold it from many who undoubtedly perform that character-reached, it is merely a question of time until the views now held by istic function. This is neither that of the original thinker nor that the

intellectuals become the governing force of politics.

of the scholar or expert in a particular field of thought. The typical character of the process by which the views of the intellectual need be neither: he need not possess special knowledge of anything in particular, nor need he even be particularly more than academic interest. Whether we merely wish to foresee intelligent, to perform his role as intermediary in the spreading of or attempt to influence the course of events, it is a factor of much ideas. What qualifies him for his job is the wide range of subjects greater importance than is generally understood. What to the on which he can readily talk and write, and a position or habits contemporary observer appears as the battle of conflicting interests through which he becomes acquainted with new ideas sooner exists has indeed often been decided long before in a clash of ideas than those to whom he addresses himself.

confined to narrow circles. Paradoxically enough, however, in Until one begins to list all the professions and activities which general the parties of the Left have done most to spread the belief belong to this class, it is difficult to realise how numerous it is, that it was the numerical strength of the opposing material interests how the scope for its activities constantly increases in modern societies which decided political issues, whereas in practice these same society, and how dependent on it we all have become. The class parties have regularly and successfully acted as if they understood does not consist only of journalists, teachers, ministers, lecturers, the key position of the intellectuals. Whether by design or driven publicists, radio commentators, writers of fiction, cartoonists, and by the force of circumstances, they have always directed their artists – all of whom may be masters of the technique of conveying main effort towards gaining the support of this ‘elite’, while the ideas but are usually amateurs so far as the substance of what they more conservative groups have acted, as regularly but unsuccessfully convey is concerned. The class also includes many professional fully, on a more naïve view of mass democracy and have usually men and technicians, such as scientists and doctors, who through 106

cialism their habitual intercourse with the printed word become carriers of was probably at no time a majority of economists, who were recognised as such by their peers, favourable to socialism (or, for that knowledge of their own subjects, are listened to with respect on matter, to protection). In all probability it is even true to say that most others. There is little that the ordinary man of today learns no other similar group of students contains so high a proportion about events or ideas except through the medium of this class; and of its members decidedly opposed to socialism (or protection).

outside our special fields of work we are in this respect almost all This is the more significant as in recent times it is as likely as not ordinary men, dependent for our information and instruction on that it was an early interest in socialist schemes for reform which those who make it their job to keep abreast of opinion. It is the led a man to choose economics for his profession. Yet it is not the intellectuals in this sense who decide what views and opinions predominant views of the experts but the views of a minority, are to reach us, which facts are important enough to be told to us, mostly of rather doubtful standing in their profession, which are and in what form and from what angle they are to be presented.

taken up and spread by the intellectuals.

Whether we shall ever learn of the results of the work of the expert The all-pervasive influence of the intellectuals in contemporary and the original thinker depends mainly on their decision.

society is still further strengthened by the growing importance of The layman, perhaps, is not fully aware to what extent even

‘organisation’. It is a common but probably mistaken belief that the popular reputations of scientists and scholars are made by the increase of organisation increases the influence of the expert that class and are inevitably affected by its views on subjects which or specialist. This may be true of the expert administrator and have little to do with the merits of the real achievements. And organiser, if there are such people, but hardly of the expert in any it is specially significant for our problem that every scholar can particular field of knowledge. It is rather the person whose general probably name several

instances from his field of men who have knowledge is supposed to qualify him to appreciate expert testimony-undeservedly achieved a popular reputation as great scientists many, and to judge between the experts from different fields, solely because they hold what the intellectuals regard as 'progress-whose power is enhanced. The point which is important for us, give' political views; but I have yet to come across a single instance however, is that the scholar who becomes a university president, where such a scientific pseudo-reputation has been bestowed the scientist who takes charge of an institute or foundation, the for political reason on a scholar of more conservative leanings.

scholar who becomes an editor or the active promoter of an This creation of reputations by the intellectuals is particularly organisation serving a particular cause, all rapidly cease to be important in the fields where the results of expert studies are not scholars or experts and become intellectuals in our sense, people used by other specialists but depend on the political decision of who judge all issues not by their specific merits but, in the character-the public at large. There is indeed scarcely a better illustration of characteristic manner of intellectuals, solely in the light of certain this than the attitude which professional economists have taken to fashionable general ideas. The number of such institutions which the growth of such doctrines as socialism or protectionism. There breed intellectuals and increase their number and powers grows 108

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the intellectuals and socialism the intellectuals and socialism III

every day. Almost all the 'experts' in the mere technique of getting knowledge over are, with respect to the subject matter which they It is not surprising that the real scholar or expert and the practical, intellectuals and not experts.

tical man of affairs often feel contemptuous about the intellectual-In the sense in which we are using the term, the intellectuals tual, are disinclined to recognise his power, and are resentful are in fact a fairly new phenomenon of history. Though nobody when they discover it. Individually they find the

intellectuals will regret that education has ceased to be a privilege of the prop-mostly to be people who understand nothing in particular especially well and whose judgement on matters they themselves best educated and the fact that the large number of people who understand shows little sign of special wisdom. But it would be owe their position solely to their general education do not possess a fatal mistake to underestimate their power for this reason. Even that experience of the working of the economic system which though their knowledge may be often superficial and their intelligence limited, this does not alter the fact that it is their judgement standing the role of the intellectual.

Professor Schumpeter, who which mainly determines the views on which society will act in the has devoted an illuminating chapter of his Capitalism, Socialism, not too distant future. It is no exaggeration to say that, once the and Democracy to some aspects of our problem, has not unfairly more active part of the intellectuals has been converted to a set stressed that it is the absence of direct responsibility for practical beliefs, the process by which these become generally accepted affairs and the consequent absence of first-hand knowledge is almost automatic and irresistible. These intellectuals are the of them which distinguishes the typical intellectual from other organs which modern society has developed for spreading knowledge people who also wield the power of the spoken and written word.

ledge and ideas, and it is their convictions and opinions which It would lead too far, however, to examine here further the development as the sieve through which all new conceptions must pass opinion of this class and the curious claim which has recently been before they can reach the masses.

advanced by one of its theorists that it was the only one whose It is of the nature of the intellectual's job that he must use his views were not decidedly influenced by its own economic interest-own knowledge and convictions in performing his daily task. He estimates. One of the important points that would have to be examined occupies his position because he possesses, or has had to deal from in such a discussion would be how far the growth of this class has day to day with, knowledge which his employer in general does been artificially stimulated by the law of copyright.¹

not possess, and his activities can therefore be directed by others only to a limited extent. And just because the intellectuals are 1

It would be interesting to discover how far a seriously critical view of the benefits to society of the law of copyright, or the expression of doubts about the public in-mostly intellectually honest, it is inevitable that they should follow interest in the existence of a class which makes its living from the writing of books, their own convictions whenever they have discretion and that would have a chance of being publicly stated in a society in which the channels of their expression should give a corresponding slant to everything that passes expression are so largely controlled by people who have a vested interest in the existing situation.

through their hands. Even where the direction of policy is in the 110

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the intellectuals and socialism the intellectuals and socialism hands of men of affairs of different views, the execution of policy would go far beyond the limits of this article to trace the causes will in general be in the hands of intellectuals, and it is frequently and significance of the highly important fact that in the modern the decision on the detail which determines the net effect. We would the intellectuals provide almost the only approach to an find this illustrated in almost all fields of contemporary society.

international community. It is this which mainly accounts for Newspapers in 'capitalist' ownership, universities presided over the extraordinary spectacle that for generations the supposedly by 'reactionary' governing bodies, broadcasting systems owned

'capitalist' West has been lending its moral and material support by conservative governments, have all been known to influence almost exclusively to those ideological movements in the countries public opinion in the direction of socialism, because this was the farther east which aimed at undermining Western civilisation conviction of the personnel. This has often happened not only in and that, at the same time, the information which the Western spite of, but perhaps even because of, the attempts of those at the

public has obtained about events in Central and Eastern Europe top to control opinion and to impose principles of orthodoxy.

has almost inevitably been coloured by a socialist bias. Many of The effect of this filtering of ideas through the convictions of the 'educational' activities of the American forces of occupation a class which is constitutionally disposed to certain views is by no in Germany have furnished clear and recent examples of this means confined to the masses. Outside his special field the expert tendency.

is generally no less dependent on this class and scarcely less influenced by their selection. The result of this is that today in most **IV**

parts of the Western world even the most determined opponents of socialism derive from socialist sources their knowledge on most A proper understanding of the reasons which tend to incline subjects on which they have no first-hand information. With so many of the intellectuals towards socialism is thus most many of the more general preconceptions of socialist thought, the important. The first point here which those who do not share this connection of their more practical proposals is by no means at bias ought to face frankly is that it is neither selfish interests nor once obvious; in consequence, many men who believe themselves evil intentions but mostly honest convictions and good intentions to be determined opponents of that system of thought become in which determine the intellectuals' views. In fact, it is necessary to fact effective spreaders of its ideas. Who does not know the prac-recognise that on the whole the typical intellectual is today more tical man who in his own field denounces socialism as 'pernicious likely to be a socialist the more he is guided by good will and intel-rot' but, when he steps outside his subject, spouts socialism like ligence, and that on the plane of purely intellectual argument he any Left journalist?

will generally be able to make out a better case than the majority In no other field has the predominant influence of the socialist of his opponents within his class. If we still think him wrong, we intellectuals been felt more strongly during the last hundred years must recognise that it may be genuine error which leads the well-than in the contacts between different national civilisations. It meaning and intelligent people who occupy those key positions 112

the intellectuals and socialism the intellectuals and socialism in our society to spread views which to us appear a threat to our picture of the world which he regards as modern or advanced. It civilisation.² Nothing could be more important than to try to is through their influence on him and on his choice of opinions on understand the sources of this error in order that we should be particular issues that the power of ideas for good and evil grows in able to counter it. Yet those who are generally regarded as the proportion to their generality, abstractness, and even vagueness.

representatives of the existing order and who believe that they As he knows little about the particular issues, his criterion must comprehend the dangers of socialism are usually very far from be consistency with his other views and suitability for combining such understanding. They tend to regard the socialist intellectuals into a coherent picture of the world. Yet this selection from the as nothing more than a pernicious bunch of highbrow radicals multitude of new ideas presenting themselves at every moment without appreciating their influence and, by their whole attitude creates the characteristic climate of opinion, the dominant Weltan-to them, tend to drive them even further into opposition to the schauung of a period, which will be favourable to the reception of existing order.

some opinions and unfavourable to others and which will make If we are to understand this peculiar bias of a large section of the intellectual readily accept one conclusion and reject another the intellectuals, we must be clear about two points. The first is without a real understanding of the issues.

that they generally judge all particular issues exclusively in the In some respects the intellectual is indeed closer to the philo-light of certain general ideas; the second, that the characteristic sopher than to any specialist, and the philosopher is in more than errors of any age are frequently derived from some genuine new one sense a sort of prince among the intellectuals. Although his truths it has discovered, and they are erroneous applications of influence is farther removed from practical affairs and correspond-new generalisations which have proved their value in other fields.

ingly slower and more difficult to trace than that of the ordinary The

conclusion to which we shall be led by a full consideration of intellectual, it is of the same kind and in the long run even more these facts will be that the effective refutation of such errors will be more powerful than that of the latter. It is the same endeavour towards frequently require further intellectual advance, and often advance a synthesis, pursued more methodically, the same judgement on points which are very abstract and may seem very remote from particular views in so far as they fit into a general system of the practical issues.

thought rather than by their specific merits, the same striving. It is perhaps the most characteristic feature of the intellectual after a consistent world view, which for both forms the main basis that he judges new ideas not by their specific merits but by the fit for accepting or rejecting ideas. For this reason the philosopher's readiness with which they fit into his general conceptions, into the has probably a greater influence over the intellectuals than any other scholar or scientist and, more than anyone else, determines 2

It was therefore not (as has been suggested by one reviewer of *The Road to Serfdom*—the manner in which the intellectuals exercise their censorship dom, Professor J. Schumpeter) 'politeness to a fault' but profound conviction of function. The popular influence of the scientific specialist begins to the importance of this which made me, in Professor Schumpeter's words, 'hardly ever attribute to opponents anything beyond intellectual error'.

rival that of the philosopher only when he ceases to be a specialist 114

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the intellectuals and socialism the intellectuals and socialism and commences to philosophise about the progress of his subject in terms of abstractions, in rationalising and carrying to extremes

— and usually only after he has been taken up by the intellectuals certain ambitions which spring from the normal intercourse of for reasons which have little to do with his scientific eminence.

men. Since democracy is a good thing, the further the democratic The 'climate of opinion' of any period is thus essentially a set principle can be

carried, the better it appears to them. The most of very general preconceptions by which the intellectual judges powerful of these general ideas which have shaped political development—the importance of new facts and opinions. These preconceptions prominent in recent times is of course the ideal of material equality.

are mainly applications to what seem to him the most significant. It is, characteristically, not one of the spontaneously grown moral aspects of scientific achievements, a transfer to other fields of convictions, first applied in the relations between particular individuals—what has particularly impressed him in the work of the specialists.

viduals, but an intellectual construction originally conceived in One could give a long list of such intellectual fashions and catch—the abstract and of doubtful meaning or application in particular words which in the course of two or three generations have in instances. Nevertheless, it has operated strongly as a principle of turn dominated the thinking of the intellectuals. Whether it was selection among the alternative courses of social policy, exercising the ‘historical approach’ or the theory of evolution, nineteenth-century persistent pressure towards an arrangement of social affairs—determinism and the belief in the predominant influence which nobody clearly conceives. That a particular measure tends of environment as against heredity, the theory of relativity or the to bring about greater equality has come to be regarded as so belief in the power of the unconscious – every one of these general strong a recommendation that little else will be considered. Since conceptions has been made the touchstone by which innovations on each particular issue it is this one aspect on which those who in different fields have been tested. It seems as if the less specific guide opinion have a definite conviction, equality has determined or precise (or the less understood) these ideas are, the wider may social change even more strongly than its advocates intended.

be their influence. Sometimes it is no more than a vague impression—Not only moral ideals act in this manner, however. Sometimes seldom rarely put into words which thus wields a profound influence.

the attitudes of the intellectuals towards the problems of social Such beliefs as that deliberate control or conscious organisation is order may be the

consequence of advances in purely scientific also in social affairs always superior to the results of spontaneous knowledge, and it is in these instances that their erroneous views processes which are not directed by a human mind, or that any on particular issues may for a time seem to have all the prestige of order based on a plan laid down beforehand must be better than the latest scientific achievements behind them. It is not in itself one formed by the balancing of opposing forces, have in this way surprising that a genuine advance of knowledge should in this profoundly affected political development.

manner become on occasion a source of new error. If no false Only apparently different is the role of the intellectuals where conclusions followed from new generalisations, they would be the development of more properly social ideas is concerned. Here final truths which would never need revision. Although as a rule their peculiar propensities manifest themselves in making shibbo-such a new generalisation will merely share the false consequences
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the intellectuals and socialism the intellectuals and socialism which can be drawn from it with the views which were held defects of particular proposals based on this kind of reasoning.

before, and thus not lead to new error, it is quite likely that a new The argument will not lose its force until it has been conclusively theory, just as its value is shown by the valid new conclusions to shown why what has proved so eminently successful in producing which it leads, will produce other new conclusions which further advances in so many fields should have limits to its usefulness and advance will show to have been erroneous. But in such an instance become positively harmful if extended beyond these limits. This is a false belief will appear with all the prestige of the latest scientific knowledge which has not yet been satisfactorily performed and which scientific knowledge supporting it. Although in the particular field to will have to be achieved before this particular impulse towards which this belief applies all the scientific evidence may be against socialism can be removed.

it, it will nevertheless, before the tribunal of the intellectuals and This, of

course, is only one of many instances where further in the light of the ideas which govern their thinking, be selected intellectual advance is needed if the harmful ideas at present as the view which is best in accord with the spirit of the time. The current are to be refuted and where the course which we shall specialists who will thus achieve public fame and wide influence travel will ultimately be decided by the discussion of very abstract will thus not be those who have gained recognition by their peers issues. It is not enough for the man of affairs to be sure, from but will often be men whom the other experts regard as cranks, his intimate knowledge of a particular field, that the theories of amateurs, or even frauds, but who in the eyes of the general public socialism which are derived from more general ideas will prove nevertheless become the best known exponents of their subject.

impracticable. He may be perfectly right, and yet his resistance In particular, there can be little doubt that the manner in will be overwhelmed and all the sorry consequences which he which during the last hundred years man has learned to organise foresees will follow if he is not supported by an effective refutation the forces of nature has contributed a great deal towards the of the idées mères. So long as the intellectual gets the better of the creation of the belief that a similar control of the forces of society general argument, the most valid objections to the specific issue would bring comparable improvements in human conditions.

will be brushed aside.

That, with the application of engineering techniques, the direction of all forms of human activity according to a single coherent V

plan should prove to be as successful in society as it has been in innumerable engineering tasks, is too plausible a conclusion not This is not the whole story, however. The forces which influence to seduce most of those who are elated by the achievement of the once recruitment to the ranks of the intellectuals operate in the natural sciences. It must indeed be admitted both that it would same direction and help to explain why so many of the most require powerful arguments to counter the strong presumption able among them lean towards socialism. There are of course in favour of such a conclusion and that these arguments have not as many differences of opinion among intellectuals as among yet been adequately stated. It is not sufficient

to point out the other groups of people; but it seems to be true that it is on the
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the intellectuals and socialism the intellectuals and socialism whole the more active, intelligent, and original men among the own sake. He is in consequence more likely to become an expert intellectuals who most frequently incline towards socialism, scholar rather than an intellectual in the specific sense of the word; while its opponents are often of an inferior calibre. This is true while to the more radically minded the intellectual pursuit is more particularly during the early stages of the infiltration of socialist often than not a means rather than an end, a path to exactly that ideas; later, although outside intellectual circles it may still be kind of wide influence which the professional intellectual exercises. It is therefore probably the fact, not that the more intelligent opinion among intellectuals will often be so strongly in favour of people are generally socialists, but that a much higher proportion socialism that it requires more strength and independence for a of socialists among the best minds devote themselves to those man to resist it than to join in what his fellows regard as modern intellectual pursuits which in modern society give them a decisive views. Nobody, for instance, who is familiar with large numbers influence on public opinion.³

of university faculties (and from this point of view the majority The selection of the personnel of the intellectuals is also closely of university teachers probably have to be classed as intellectuals connected with the predominant interest which they show in rather than as experts) can remain oblivious to the fact that the general and abstract ideas. Speculations about the possible entire most brilliant and successful teachers are today more likely than reconstruction of society give the intellectual a fare much more to not to be socialists, while those who hold more conservative his taste than the more practical and short-run considerations of political views are as frequently mediocrities. This is of course those who aim at a piecemeal improvement of the existing order.

by itself an important factor leading the younger generation into In particular,

socialist thought owes its appeal to the young largely the socialist camp.

to its visionary character; the very courage to indulge in Utopian The socialist will, of course, see in this merely a proof that thought is in this respect a source of strength to the socialists the more intelligent person is today bound to become a socialist.

which traditional liberalism sadly lacks. This difference operates But this is far from being the necessary or even the most likely in favour of socialism, not only because speculation about general explanation. The main reason for this state of affairs is probably principles provides an opportunity for the play of the imagination that, for the exceptionally able man who accepts the present order 3

Related to this is another familiar phenomenon: there is little reason to believe of society, a multitude of other avenues to influence and power that really first-class intellectual ability for original work is any rarer among are open, while to the disaffected and dissatisfied an intellectual Gentiles than among Jews. Yet there can be little doubt that men of Jewish stock career is the most promising path to both influence and the power almost everywhere constitute a disproportionately large number of the intellectuals in our sense, that is of the ranks of the professional interpreters of ideas.

to contribute to the achievement of his ideals. Even more than This may be their special gift and certainly is their main opportunity in countries that: the more conservatively inclined man of first class ability will where prejudice puts obstacles in their way in other fields. It is probably more because they constitute so large a proportion of the intellectuals than for any other in general choose intellectual work (and the sacrifice in material reason that they seem to be so much more receptive to socialist ideas than people reward which this choice usually entails) only if he enjoys it for its of different stocks.

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the intellectuals and socialism the intellectuals and so

cialism of those who are unencumbered by much knowledge of the facts. The actual developments of society during this period were of present-day life, but also because it satisfies a legitimate desire determined not by a battle of conflicting ideals, but by the understanding of the rational basis of any social order and contrast between an existing state of affairs and that one ideal of gives scope for the exercise of that constructive urge for which a possible future society which the socialists alone held up before liberalism, after it had won its great victories, left few outlets. The public. Very few of the other programmes which offered them-intellectual, by his whole disposition, is uninterested in technical selves provided genuine alternatives. Most of them were mere details or practical difficulties. What appeal to him are the broad compromises or half-way houses between the more extreme types visions, the specious comprehension of the social order as a whole of socialism and the existing order. All that was needed to make which a planned system promises.

almost any socialist proposal appear reasonable to these 'judicious'

This fact that the tastes of the intellectual were better satisfied-minds who were constitutionally convinced that the truth must lie by the speculations of the socialists proved fatal to the influence-always lie in the middle between the extremes, was for someone once of the liberal tradition. Once the basic demands of the liberal to advocate a sufficiently more extreme proposal. There seemed programmes seemed satisfied, the liberal thinkers turned to to exist only one direction in which we could move, and the only problems of detail and tended to neglect the development of the question seemed to be how fast and how far the movement should general philosophy of liberalism, which in consequence ceased proceed.

to be a live issue offering scope for general speculation. Thus for something over half a century it has been only the socialists who **VI**

have offered anything like an explicit programme of social development, a picture of the future society at which they were aiming, The significance of the special appeal to the intellectuals which and a set of general principles to guide decisions on particular socialism derives from its speculative character will become issues. Even though, if I am right, their ideals suffer from inherent clearer if we further contrast the position of the socialist theorist

contradictions, and any attempt to put them into practice must with that of his counterpart who is a liberal in the old sense of the produce something utterly different from what they expect, this word. This comparison will also lead us to whatever lesson we does not alter the fact that their programme for change is the only can draw from an adequate appreciation of the intellectual forces one which has actually infl uenced the development of social insti-which are undermining the foundations of a free society.

tutions. It is because theirs has become the only explicit general Paradoxically enough, one of the main handicaps which philosophy of social policy held by a large group, the only system deprives the liberal thinker of popular infl uence is closely or theory which raises new problems and opens new horizons, connected with the fact that, until socialism has actually arrived, that they have succeeded in inspiring the imagination of the intel-he has more opportunity of directly infl uencing decisions on lectuals.

current policy and that in consequence he is not only not tempted 122

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t h e i n t e l l e c u a l s a n d s o c i a l i s m t h e i n t e l l e c t u a l s a n d s o c i a l i s m into that long-run speculation which is the strength of the social-thankless tasks at present than the essential one of developing the ists, but is actually discouraged from it because any effort of this philosophical foundation on which the further development of a kind is likely to reduce the immediate good he can do. Whatever free society must be based. Since the man who undertakes it must power he has to infl uence practical decisions he owes to his accept much of the framework of the existing order, he will appear standing with the representatives of the existing order, and this to many of the more speculatively minded intellectuals merely as standing he would endanger if he devoted himself to the kind of a timid apologist of things as they are; at the same time he will speculation which would appeal to the intellectuals and which be dismissed by the men of affairs as an impractical theorist. He through them could infl uence developments over longer periods.

is not radical enough for those who know only the world where In order to carry weight with the powers that be, he has to be

‘with ease together dwell the thoughts’ and much too radical for

‘practical’, ‘sensible’, and ‘realistic’. So long as he concerns himself those who see only how ‘hard in space together clash the things’.

with immediate issues, he is rewarded with influence, material. If he takes advantage of such support as he can get from the men of success, and popularity with those who up to a point share his point of view, he will almost certainly discredit himself with those of a general outlook. But these men have little respect for those speculations on whom he depends for the spreading of his ideas. At the same time on general principles which shape the intellectual climate.

time he will need most carefully to avoid anything resembling. Indeed, if he seriously indulges in such long-run speculation, he extravagance or overstatement. While no socialist theorist has been apt to acquire the reputation of being ‘unsound’ or even half as often been known to discredit himself with his fellows even by the socialist, because he is unwilling to identify the existing order with silliest of proposals, the old-fashioned liberal will damn himself the free system at which he aims.⁴

by an impracticable suggestion. Yet for the intellectuals he will. If, in spite of this, his efforts continue in the direction of still not be speculative or adventurous enough, and the changes general speculation, he soon discovers that it is unsafe to associate and improvements in the social structure he will have to offer will too closely with those who seem to share most of his convictions, seem limited in comparison with what their less restrained imagination-and he is soon driven into isolation. Indeed there can be few more action conceives.

At least in a society in which the main requisites of freedom ⁴

The most glaring recent example of such condemnation of a somewhat unorthodox have already been won and further improvements must concern dox liberal work as ‘socialist’ has been provided by some comments on the late Henry Simons’s *Economic Policy for a Free Society* (1948). One need not agree with points of comparative detail, the liberal programme can have the whole of this work and one may even regard some of the suggestions made in none of the glamour of a new invention. The appreciation of it as

incompatible with a free society, and yet recognise it as one of the most important contributions made in recent times to our problem and as just the kind of the improvements it has to offer requires more knowledge of work which is required to get discussion started on the fundamental issues. Even the working of the existing society than the average intellectual those who violently disagree with some of its suggestions should welcome it as a possession. The discussion of these improvements must proceed contribution which clearly and courageously raises the central problems of our time.

on a more practical level than that of the more revolutionary 124

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the intellectuals and socialism the intellectuals and socialism programmes, thus giving a complexion which has little appeal who have the cause of freedom genuinely at heart from those forces for the intellectual and tending to bring in elements to whom which in the realm of ideas decide the course of development is he feels directly antagonistic. Those who are most familiar with their deep distrust of theoretical speculation and their tendency the working of the present society are also usually interested in to orthodoxy; this, more than anything else, creates an almost the preservation of particular features of that society which may impassable barrier between them and those intellectuals who not be defensible on general principles. Unlike the person who are devoted to the same cause and whose assistance is indispensable-looks for an entirely new future order and who naturally turns for able if the cause is to prevail. Although this tendency is perhaps guidance to the theorist, the men who believe in the existing order natural among men who defend a system because it has justified also usually think that they understand it much better than any itself in practice, and to whom its intellectual justification seems theorist and in consequence are likely to reject whatever is unfa-immaterial, it is fatal to its survival because it deprives it of the miliar and theoretical.

support it most needs. Orthodoxy of any kind, any pretence that The difficulty of finding genuine and disinterested support for a system of ideas is final and must be unquestioningly accepted as a systematic policy for freedom is not new. In a passage of which a whole, is the one view which of necessity antagonises all intellec-the reception of a recent book of mine has often

reminded me, tuals, whatever their views on particular issues. Any system which Lord Acton long ago described how:

judges men by the completeness of their conformity to a fixed set at all times sincere friends of freedom have been rare, and its of opinions, by their 'soundness' or the extent to which they can triumphs have been due to minorities, that have prevailed be relied upon to hold approved views on all points, deprives itself by associating themselves with auxiliaries whose objects of a support without which no set of ideas can maintain its influence differed from their own; and this association, which is once in modern society. The ability to criticise accepted views, always dangerous, has been sometimes disastrous, by giving to explore new vistas and to experiment with new conceptions, to opponents just grounds of opposition. . . 5

provides the atmosphere without which the intellectual cannot More recently, one of the most distinguished living American breathe. A cause which offers no scope for these traits can have economists has complained in a similar vein that the main task of no support from him and is thereby doomed in any society which, those who believe in the basic principles of the capitalist system like ours, rests on his services.

must frequently be to defend this system against the capitalists

– indeed the great liberal economists, from Adam Smith to the **VII**

present, have always known this.

The most serious obstacle which separates the practical men It may be that a free society as we have known it carries in itself the forces of its own destruction, that once freedom has been achieved 5 Acton,

The History of Freedom, London, 1922.

it is taken for granted and ceases to be valued, and that the free 126

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the intellectuals and socialism the intellectuals and so

cialism growth of ideas which is the essence of a free society will bring and which does not confine itself to what appears today as political about the destruction of the foundations on which it depends.

ally possible. We need intellectual leaders who are prepared to There can be little doubt that in countries like the United States resist the blandishments of power and influence and who are the ideal of freedom has today less real appeal for the young than willing to work for an ideal, however small may be the prospects it has in countries where they have learned what its loss means.

of its early realisation. They must be men who are willing to stick On the other hand, there is every sign that in Germany and elsewhere to principles and to fight for their full realisation, however remote.

where, to the young men who have never known a free society, the The practical compromises they must leave to the politicians.

task of constructing one can become as exciting and fascinating as Free trade and freedom of opportunity are ideals which still may any socialist scheme which has appeared during the last hundred arouse the imaginations of large numbers, but a mere 'reasonable years. It is an extraordinary fact, though one which many visitors freedom of trade' or a mere 'relaxation of controls' is neither intellectual have experienced, that in speaking to German students about the lecturally respectable nor likely to inspire any enthusiasm.

principles of a liberal society one finds a more responsive and The main lesson which the true liberal must learn from the even enthusiastic audience than one can hope to find in any of the success of the socialists is that it was their courage to be Utopian Western democracies. In Britain also there is already appearing which gained them the support of the intellectuals and therefore among the young a new interest in the principles of true liberalism an influence on public opinion which is daily making possible which certainly did not exist a few years ago.

what only recently seemed utterly remote. Those who have Does this mean that freedom is valued only when it is lost, concerned themselves exclusively with what seemed practicable in that the world must everywhere go through a dark phase of the existing state of opinion have constantly found that even

this socialist totalitarianism before the forces of freedom can gather has rapidly become politically impossible as the result of changes strength anew? It may be so, but I hope it need not be. Yet, so long in a public opinion which they have done nothing to guide. Unless as the people who over longer periods determine public opinion we can make the philosophic foundations of a free society once continue to be attracted by the ideals of socialism, the trend will more a living intellectual issue, and its implementation a task continue. If we are to avoid such a development, we must be able which challenges the ingenuity and imagination of our liveliest to offer a new liberal programme which appeals to the imagina-minds, the prospects of freedom are indeed dark. But if we can tion. We must make the building of a free society once more an regain that belief in the power of ideas which was the mark of intellectual adventure, a deed of courage. What we lack is a liberal liberalism at its best, the battle is not lost. The intellectual revival Utopia, a programme which seems neither a mere defence of of liberalism is already under way in many parts of the world. Will things as they are nor a diluted kind of socialism, but a truly liberal it be in time?

radicalism which does not spare the susceptibilities of the mighty (including the trade unions), which is not too severely practical, 128

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